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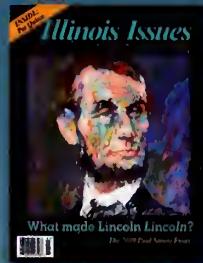
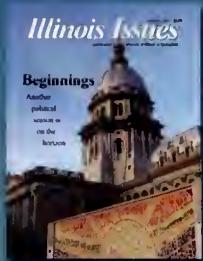
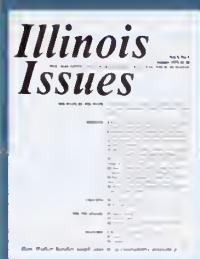
The work of nonprofits

Helpful organizations' finances are tight at a time when their services are needed most



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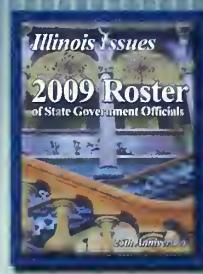
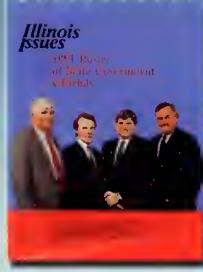
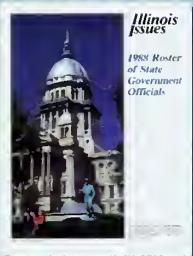
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Diana Steffel



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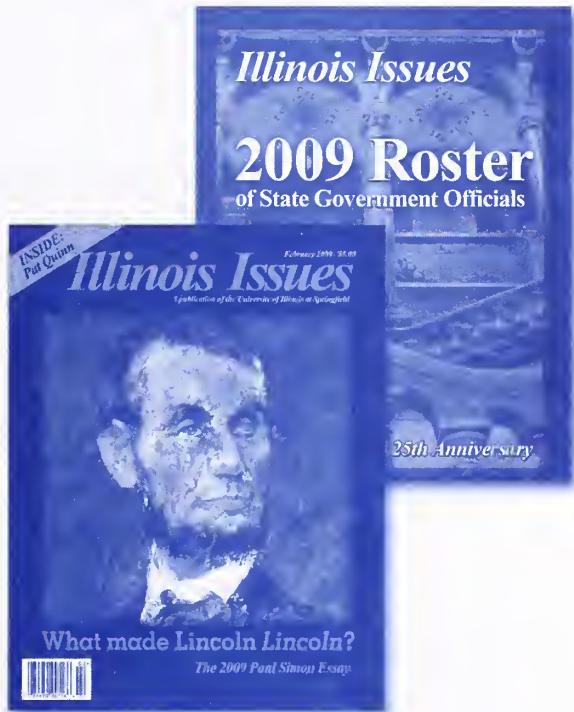
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But during the past year or so, as the state and national economies have become clutched in the grip of the

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Illinois Issues has been planning to publish a series of articles about non-

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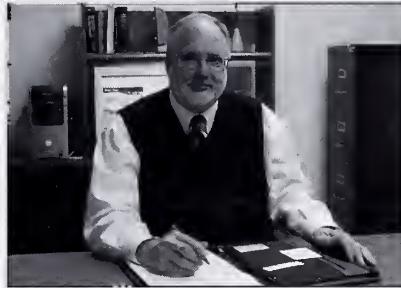
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Dana Heupel



Nonprofits have been clutched in the economy's grip

by Dana Heupel

There are more than 29,000 nonprofit organizations in Illinois. That number, by the way, includes this magazine.

Many nonprofits provide services that the private sector or government can't or won't do. They span the social spectrum, offering such benefits as health care, education, arts and cultural institutions, volunteer service to communities, training and housing for the developmentally disabled — places to worship or learn or engage in social activities.

They also provide more than 425,000 jobs in the state, according to a 2008 survey by the Donors Forum, a Chicago-based umbrella organization that promotes philanthropy and a healthy nonprofit sector in Illinois. That's more than five times the number employed by state government. They also contribute about 9 percent of the state's economic product, about the same amount as the combined output of Illinois' construction, transportation and warehousing industries. And altogether, nonprofits mobilize a civic army of 3.9 million volunteers.

But during the past year or so, as the state and national economies have become clutched in the grip of the

Nearly half of the nonprofits that responded to a Donors Forum survey this year reported that they no longer have operating reserves, or what they had have been depleted.

worst recession since the Great Depression, nonprofits have suffered, as well. Contracts with government agencies have been canceled, or payments are so far behind that they are forced to borrow heavily or sometimes even fold up operations. Charitable donations are declining because the investments of foundations, corporate donors and philanthropists are dwindling. Nearly half of the nonprofits that responded to a Donors Forum survey this year reported that they no longer have operating reserves, or what they had have been depreciated.

Illinois Issues has been planning to publish a series of articles about non-

profits since last summer, before the depth of the current financial chasm became evident. The three-part series, which begins in this issue, takes on even more urgency because of the economic crisis. Other installments will appear later this year.

The articles were made possible by a generous grant from the Donors Forum, and we are immensely grateful. Donors Forum executives and I agreed beforehand that the organization would have no editorial control over what we published or who we chose to report and photograph the articles. Nor did they review the articles prior to publication. They graciously wrote us a check and trusted that we would produce an honest and fair portrayal of the plight of nonprofits and their importance to society, along with a look at the philanthropic and charitable groups that provide the financial underpinning that allows nonprofits to perform their work.

We intend to examine all of those issues and more, highlighting the successes and failures, showing the breadth of nonprofits' involvement in Illinois' economic and social structure and outlining the immense challenges they face.

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To help us do that, we asked Crystal Yednak, a former *Chicago Tribune* reporter whose free-lance work has also appeared in such publications as the *New York Times*, *Crain's Chicago Business* and the *International Herald Tribune*, to interview administrators and others from nonprofits and philanthropic organizations throughout the state. Her reports have given us a view from the ground floor of how they are coping with their difficulties and what the future might hold. We also asked photographers Darrell Goemaat in the Chicago area and Robert Pope in central Illinois to use their talents to show us firsthand the work of nonprofits throughout Illinois. Later this year, we'll also feature an essay about the role that nonprofits play in a civil society.

I must admit that at first, I wasn't certain it was a good idea to form a financial partnership to produce a series of articles for the magazine. During its 34-year history, *Illinois Issues* has earned a reputation as an independent and impartial journal that objectively examines and analyzes Illinois public policy. We in no way wanted to give the impression that we could be influenced by any outside source to write favorably — or unfavorably — about an issue. To do so would destroy our credibility, and ultimately, our magazine.

But given this experience with the Donors Forum, we now intend to seek opportunities to underwrite other major projects, in much the same way as the Public Broadcasting Corp. or National Public Radio. Other publications and organizations are doing so, as well. For instance, a group of investigative reporters, many of whom were laid off from their financially stricken news organizations, has formed an independent, nonprofit newsroom called ProPublica, which is funded by the Sandler Foundation and other philanthropic groups. Aside from publishing on its own Web site, www.propublica.org, ProPublica's work has appeared on CBS' *60 Minutes* and Fox News, as well as in *Newsweek* and other publications.

The primary problems nonprofits face, according to the survey, are government funding cuts or delays and a decline in corporate giving.

In researching nonprofits and philanthropy, we found — on our own accord — the Donors Forum to be an invaluable resource, as were several other organizations. Among the most foreboding findings in the Donors Forum's Economic Outlook 2009 survey, conducted in October and November 2008, was that "both nonprofits and grant makers reported a sense that the sector has not yet felt the full impact of the economic crisis." Given the further erosion of the economy in the early part of this year, that certainly has proven to be the case.

The primary problems nonprofits face, according to the survey, are government funding cuts or delays and a decline in corporate giving. Donations from charitable foundations have remained relatively strong, but the report cites historic trends that any downturn in foundation giving usually occurs in the second or third year of a recession.

Meanwhile, two-thirds of the 168 nonprofits that responded to a question in the survey said the demand for their services has increased, even as their resources have dwindled. That presents a heightened concern that in this time, when the services of nonprofits are needed the most to help those who are suffering from the economic crisis, their ability to provide them has been diminished.

It also presents a challenge to us, as responsible citizens, to recognize those needs and help nonprofits fulfill their missions in any way we can, whether through our volunteerism or our financial contributions. □

Dana Heupel can be reached at heupel.dana@uis.edu.

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Bethany Jaeger



Skeptics are at a crossroads, lawmakers are at the wheel. Which way will they turn?

by Bethany Jaeger

Momentum is not enough. This state has felt momentum build and bust too many times for everything from education to health care, transportation, construction and, often, ethics. Illinois voters are used to being disappointed.

This spring, however, even skeptics are sensitive to the actions of public officials. Their attitude: Either do something noticeable to change the way government can improve our daily lives, or our attention will turn away as fast as it was recaptured by the high-level corruption and the arrest of Rod Blagojevich.

The opportunity is ripe to enact ethics reforms and keep the skeptics' attention because losing it would maintain the status quo.

When people aren't paying attention to government, "it's easy enough to tie a great big ribbon around any kind of legislative package and say, 'There, we've done it,'" says Cynthia Canary, director of the Chicago-based Campaign for Political Reform.

In fact, that's what happened in 2003 when federal investigations dogged outgoing Gov. George Ryan and incoming Blagojevich vowed to change "business as usual." Yet, neither Blagojevich nor his ethics reforms lived up to the hype.

As a result, Gov. Pat Quinn and the General Assembly must clean up existing ethics laws while considering new ones.

In a way, citizens have Blagojevich to thank because his impeachment and

The one-two punch of an economic crisis coupled with an integrity crisis demands state government ethics reforms that people will notice.

removal from office in late January refocused the need for higher standards. On the other hand, Blagojevich's saga feels so jarring because of the timing. Voters feel insecure about the economy at the same time they've lost confidence in Illinois leaders, who are supposed to guide them through the slump.

The one-two punch of an economic crisis coupled with an integrity crisis demands state government ethics reforms that people will notice. Make them feel as though their votes count and that they have just as much ownership in government as the lawmakers who run it.

When Quinn became governor, he immediately set the tone of government by and for the people. He chartered a new commission to study reforms for elections, state procurement, public access and employee ethics. After three months of public hearings, the panel is expected to release a report this month.

Senate President John Cullerton and House Speaker Michael Madigan signaled a similar broad approach.

"To me, all of Illinois government is open to change, every agency and everything that we do," Madigan said when announcing a bicameral committee to study governmental reforms.

More recommendations are coming from a statewide coalition called *CHANGE Illinois*, consisting of civic, labor, business and nonprofit groups.

Regardless of how well-researched and sincere the products of the governor's commission, the legislative committee and the new coalition are, they're unlikely to satisfy the anti-Blagojevich itch or stamp out the statewide skepticism.

On the other hand, their results should do more than pander to the emotions of people caught up in Illinois' political drama. They need true ethics reforms with real enforcement measures, and one of the best places to look is in the rearview mirror to see how laws on the books are working — or not.

They should start with enforcing existing laws that grant access to public records and public meetings and with punishing those who violate the law. (See more in Charlie Wheeler's column in *Illinois Issues*, March, page 37.)

They also should consider numerous bills now advancing through the General Assembly. But Canary knows firsthand that what goes into the legislature often morphs into something different.

She helped draft the 2008 pay-to-play ban, for instance, which is designed to

prevent businesses that hold significant state contracts from contributing to office-holders who sign those contracts. It took three years to advance the measure to the governor's desk, and it barely survived Blagojevich's veto pen. In those three years, the legislation took on multiple forms, often at the behest of politics.

"The struggle always is to try your best to at least get the core components to match up," Canary says.

Now that the pay-to-play ban has been in effect for four months, officials are finding out that recordkeeping and enforcement may still have some kinks, including who is monitoring the reports and ensuring compliance.

According to Canary, the Illinois State Board of Elections lacks the authority and capacity to audit campaign finance reports unless someone from the outside files a complaint, "even if the error is staring them in the face."

"This is not a proactive way to run a government where you're placing integrity and honesty at a premium," Canary says. "This is a way to run a government where you're actually afraid of what enforcement might yield."

Legislators also should clean up a state employees ethics law enacted in 2003 when Blagojevich created an independent inspector general for each constitutional office and required all state employees to take annual ethics exams.

Mary Anderson, a private attorney in Chicago, was a deputy inspector general for the Office of the Executive Inspector General until 2005. She was involved in researching and drafting the 2003 law and worked under Z. Scott, the executive inspector general who wrote a scathing report that said Blagojevich's administration had "not merely an ignorance of the law, but complete and utter contempt for the law" in agency hiring practices.

The full report didn't officially become public until it served as evidence in Blagojevich's impeachment trial.

Anderson testified to the legislative committee last month that the most serious challenge is the "forced secrecy" of the ethics investigations: "The silence that we hear from these offices is not by their choice. To the contrary, that silence is dictated by statute."

By law, the investigations and the reports prepared by the inspectors general

There is no easy way out, but lawmakers could try to mislead voters into believing that existing laws without enforcement are enough.

remain confidential, even when violations occur and when punishments follow.

"By keeping the results of these investigations secret, wrongdoers are allowed to continue on with their corrupt behavior without any consequences," she said.

Anderson wants complete disclosure of those reports and the actions taken. She cites four states as models:

- New Jersey based its 2005 law on Illinois' statute but allows the reports to be made public with redacted information.
- In Massachusetts, all reports are public, regardless of whether the inspectors find violations. Employees' names are withheld if the complaints are unfounded.
- New York's law allows inspectors to redact information or defer a report's release until an investigation is complete.
- Ohio is the most transparent. Its reports include employees' names, regardless of whether they are found guilty, unless a person's safety is in jeopardy.

Illinois' 2003 ethics reforms also lack teeth for a so-called revolving door law for state employees, which is supposed to prevent them from taking jobs with private firms that they regulated, licensed or were involved with in granting contracts during the past year.

Most anyone can get a waiver. In fact, the act says the commission "shall" grant waivers unless the employee altered licensing, contracting or regulatory decisions to better his or her chances of getting a job in the private sector.

There's rarely a smoking gun that determines a conflict of interest existed, said Chad Fornoff, executive director of the Executive Ethics Commission. "Unless there's evidence that the employee was influenced by the prospect of future employment, the commission hears only arguments that are favorable to the employee's petition," he said.

Fornoff supports legislation that would eliminate the waiver system, enforcing a one-year cooling off period with no

exceptions. The attorney general's office also backs a measure that would require a list of employees responsible for contracting and licensing decisions, shining a light on potential conflicts.

The faults in existing ethics laws are not specific to the 2003 act; they are simply part of Illinois' political culture, Canary says.

There is no easy way out, but lawmakers could try to mislead voters into believing that existing laws without enforcement are enough.

True, most of the burden falls on the public to demand a better government, but lawmakers bear a significant burden, too, particularly when citizens are looking for a sign that the state and the country are ready to rebound.

So as candidates prepare for the 2010 elections, let them seek empowerment through public confidence, not through public manipulation.

One way the *CHANGE* Illinois coalition wants to embolden voters is by ridding the political system of massive campaign contributions from businesses, political action groups and well-connected individuals at the state and local levels.

But legislative leaders tend to support stricter disclosure requirements for campaign contributions before the imposition of limits, indicating a tough road ahead for the idea this year.

Ann Lousin, who helped write the 1970 state Constitution and who teaches law at at John Marshall Law School in Chicago, shares the idea that sunshine is the best disinfectant. "If I can figure out a way around it in five minutes, you shouldn't put it into the statute," she says.

Individuals could disguise their financial support through friends or relatives, while state contractors could funnel money through subcontractors, which wouldn't be part of the public record. "All you're doing is putting it underground," she says.

Canary says sunshine won't cut it. "We have had sunshine for over 30 years, and look at the situation we're in."

Now is the time for legislators to keep the skeptics' attention. They shouldn't test their confidence, or they will lose. Maybe not this year or in 2010, but eventually, when somebody more believable comes along. □

Bethany Jaeger can be reached at capitolbureau@aol.com.

BRIEFLY

QUINN'S BUDGET "Shared sacrifice"

Gov. Pat Quinn says his first state budget proposal includes the "least bad options" — "because there are no good options."

The budget deficit is projected to grow to an unprecedented \$11.6 billion by the end of fiscal year 2010, and the nationwide recession is sapping state revenues at the same time it's feeding demand for services.

Quinn's blueprint is one of "shared sacrifice," where the state would cut spending while it generates new revenue through increased taxes and fees. It also would fund a \$26 billion infrastructure plan for roads, bridges and school construction projects that would create about 340,000 jobs.

Federal stimulus funds will help plug about \$4 billion into the budget hole, and \$2.9 billion is slated to help the state pay service providers within 30 days, as opposed to current delays up to 10 months.

Quinn says his budget is balanced and speaks directly about the tough choices ahead.

If enacted, about half of Illinois taxpayers would pay more in state income taxes. But Quinn would triple the personal exemption from \$2,000 to \$6,000 to help middle- and low-income families cope with the increase from 3 percent to 4.5 percent. A family of four would pay no state income tax on the first \$24,000 they earned, for instance.

Quinn also would implement a "back-to-school sales tax holiday" for 10 days each August.

Opponents include business, which would see corporate income taxes increase from 4.8 percent to 7.2 percent while also losing some of their tax breaks.

Public employee unions object to the idea that new public employees would pay more for retiree health and pension benefits and that existing state

employees would take four unpaid days off and pay more for health care.

Local government officials also oppose Quinn's idea to shave some of the local share of tax revenues to pay for school construction.

The state's burden would include scaling back grant programs, consolidating state agency functions and maintaining current funding levels for social services.

Quinn also would short the five public employee pension systems by \$550 million this fiscal year and \$2.3 billion next fiscal year for a total of \$2.8 billion.

Kent Redfield, political scientist with the University of Illinois at Springfield, says Quinn's budget plan puts him in a difficult political position. "This budget seems designed to balance opposing sides of a debate over the size and nature of government, where there is not a lot of middle ground."

Quinn established a working relationship with both Democrats and Republicans early in his administration. But leaders of both parties are eyeing potential "adjustments" and want to ensure that an income tax increase is a last resort.

Senate President John Cullerton and House Speaker Michael Madigan support several of Quinn's concepts, but Cullerton says he anticipates seeking a lower personal exemption and looking at whether shorting the pension systems of billions of dollars is justified.

Senate Minority Leader Christine Radogno and House Minority Leader Tom Cross say they want state government to limit spending before asking voters to pay higher taxes, and they join some Democrats in mentioning expanded gaming as an alternative revenue source.

Bethany Jaeger

Highlights

State employees (*Pending negotiations with public employee unions*)

- Take four furlough days.
- Pay more for health care.

Pension benefits

- New employees would receive fewer benefits.
- Employees would increase contributions by 2 percentage points.
- Cost-of-living adjustments at 50 percent of consumer price index or 3 percent, whichever is lower.
- Retirement age for new employees would be 67.
- Employees covered by Social Security would earn 1.5 percent of their final pay per year of service. Employees not covered by Social Security would earn 2 percent.
- Savings: \$162 million by 2045.

Pension funding

- The administration would pay \$550 million less than scheduled into the five public employee pension systems this fiscal year.

Budget cuts

- Across-the-board 2 percent reductions in grant programs, excluding education and health care
- Reduce some community grant amounts and eliminate others.
- Consolidate the Historic Preservation Agency and the Department of Natural Resources.

Road and school construction

\$26 billion plan paid for by:

- Increase in driver's license fees from \$10 to \$20.
- Increase in license plate fees from \$79 to \$99.
- Increase in vehicle registration fees from \$15 to \$30.
- Increase in title transfer fees from \$65 to \$105.
- Shave some of the local governments' share of tax revenues to pay for school construction.

LEGISLATIVE CHECKLIST

The General Assembly's spring session is in full swing after Gov. Pat Quinn proposed his version of the state budget last month. While legislators draft their own versions, they also are considering a variety of measures, from demanding more transparency in state operations to banning trans fats from school lunches and vending machines. Here is a sample of this spring's substantive legislation:

Prompt payment

Two House bills would require the state to pay its bills more quickly or face interest charges.

HB 464 A bill sponsored by Rep. Brandon Phelps, a Harrisburg Democrat, and Rep. David Reis, a Willow Hill Republican, would make the state pay interest charges on bills that are not paid within 45 days of receipt. At present, interest charges are not applied until after 60 days.

HB 1034 The state would be required to pay bills within 30 days or face an interest charge of 1 percent. The interest charge would increase to 1.5 percent after 60 days of nonpayment. The governor's budget also would have to include amounts and descriptions of overdue bills, according to a measure proposed by Rep. Bob Flider, a Mount Zion Democrat.

Death penalty

HB 262 The death penalty would be abolished by a bill proposed by Rep. Karen Yarbrough, a Maywood Democrat. The bill also would require courts to impose new sentences on all convicts who are on Death Row.

Civil unions

HB 2234 Same-sex couples would be given the same rights as married couples under a bill advancing through the House. The proposal by Chicago Democratic Rep. Greg Harris would allow any heterosexual or same-sex couple in Illinois to enter into a civil union and be recognized as having the same legal rights as married spouses. No church could be forced to perform a civil union ceremony.

Whistleblower hotline

SB 2015 The Auditor General's Office would establish a 24-hour statewide whistleblower hotline to encourage individuals to report misconduct by state officials or state employees. Individuals making complaints would be required to identify themselves, but they, in turn, would be rewarded and assured protection from retaliation, according to the proposal by Sen. Bill Brady, a Bloomington Republican.

Medical marijuana

SB 1381, HB 2514 The House and Senate advanced similar measures that would legalize marijuana usage to ease pain for certain medical conditions, including Crohn's disease and cancer. Patients who receive a recommendation from their doctors would be allowed to possess a maximum of seven marijuana plants and 2 ounces of dried cannabis. Two Democrats, Sen. William Haine of Alton and Rep. Lou Lang of Skokie, are sponsoring the bills.

License plates

HB 247 Drivers would be able to order "In God We Trust" license plates for a \$20 initial fee and \$20 when they renewed the plates, under a bill that passed the House. The revenue would go to the secretary of state's office to administer the special plates program and to help military families who have lost loved ones.

University employment

SB 41 Public and private universities that receive state funding would be forbidden from employing anyone who committed a violent act against the federal or state government, according to a proposal by Republican Sen. Larry Bomke of Springfield. The bill is a response to University of Illinois at Chicago faculty member Bill Ayers, a former member of the radical group the Weather Underground, who drew media attention during the presidential campaign of then-U.S. Sen. Barack Obama because they lived in Hyde Park and served on a charitable board together.

Executive powers

HB 398 The intent and power of a bipartisan legislative panel, called the Joint Committee on Administrative Rules, was reaffirmed by a new law enacted last month. The act solidifies the committee's role as a check on the executive branch. The power of JCAR was a point of contention during former Gov. Rod Blagojevich's administration, and his disregard for the committee's decisions was included in the articles of his impeachment.

Stolen guns

HB 845 A gun owner would have to report the loss or theft of a handgun to law enforcement within three days under a proposal by Chicago Democratic Rep. Edward Acevedo. After a second offense, punishment would include jail time and revocation of the Firearm Owner's Identification Card.

Free speech

Two bills protecting the free speech of university and community college faculty and staff when they are not on the job were proposed by Democratic Rep. Naomi Jakobsson of Urbana.

HB 898 Faculty and staff members could talk to elected officials about any topic, so long as they were clear that they did not represent the school.

HB 899 Faculty and staff members could wear political buttons, T-shirts and other items in class only if they pertained to the topic of discussion. The legislation also would protect their rights to post political stickers on their vehicles and to attend political rallies when not working.

Horse slaughter

HB 583 The state's ban on horse slaughter for human consumption would be lifted, under a measure sponsored by Rep. Jim Sacia, a Pecatonica Republican.

Continued on page 10

LEGISLATIVE CHECKLIST

Stalking protection

SB 298 A person could request a protective order against an individual who engaged in repeated unwanted contact with the person or a member of his or her family. A protective order could also be requested if a person's life were repeatedly disrupted by the unwanted attention or if a person felt threatened. The legislation is sponsored by Democratic Sen. Michael Noland of Elgin.

Sex offenders

HB 1314 Registered sex offenders could be charged with a Class 4 felony if they join a social networking Web site. Sponsored by Rep. Sandra Pihos, a Glen Ellyn Republican, the bill aims to keep sexual predators off Web sites such as Facebook and MySpace. The crime would carry a one- to three-year prison sentence.

Trans fat ban

SB 102 Sen. Donne Trotter, a Chicago Democrat, is trying again to ban trans fats from all food served in schools by 2011. The ban would include foods sold in vending machines and items delivered by outside vendors. Trotter's measure failed last year.

School bus seat belts

SB 67 Any new school bus purchased in Illinois would have to include seat belts, according to a proposal by Chicago Democratic Sen. Ira Silverstein.

Truck speed limits

SB1467 Semitrailers would be able to go as fast as passenger vehicles on rural interstates. A bill sponsored by Sen. John Sullivan, a Democrat from Rushville, would raise the speed limit for large trucks to 65 miles per hour.

Former Gov. Rod Blagojevich vetoed the measure three times.

Internet lottery

HB 1654 Tickets for the Illinois Lottery's Lotto and Mega Millions games would be sold on the Internet, under a measure sponsored by Senate President John Cullerton. The bill also would bar the state from selling the lottery, but it would be allowed to hire an outside firm to manage it.

Condoms for cons

HB 419 Prisoners in the Illinois corrections system would be allowed to buy condoms, under a bill proposed by Rep. Monique Davis, a Chicago Democrat. It also forbids prisons from classifying condoms as contraband.

Jamey Dunn and Hilary Russell

Stimulus rekindles hope for FutureGen

Supporters of the FutureGen coal plant proposed for Mattoon have their eyes on \$1 billion of federal stimulus funds.

State officials hope the work that has already been done in Mattoon will encourage the U.S. Department of Energy to fund what they deem as a "shovel ready" project. While federal officials have not closed the door on reviving the project, it is unclear what form a new plan would take.

The central Illinois site was chosen in December 2007 for the power plant, which would use first-of-its-kind technology to capture carbon dioxide emissions and trap them underground. However, the Department of Energy under former President George W. Bush stalled the plan, in part because the cost of the project increased beyond \$1 billion. Since then, federal authorities have reported that accounting errors overestimated the cost by \$500 million.

Energy Secretary Steven Chu told reporters in Washington last month that he is considering the Mattoon site as part of a revamped plan that could include international partnerships. For instance, if other countries intend to test one of the three technologies originally planned for the plant in Mattoon, then the United States could save money by no longer pursuing all three.

Joe Lucas, spokesman for the American Coalition for Clean Coal Electricity, says the department should not abandon the Mattoon plant because it is a pivotal step toward bringing carbon capture technology to a nationwide commercial scale. "It is the tip of the spear, so to speak," he says.

Supporters of the Mattoon project are waiting to see how Chu will decide to use fossil fuel grants included in the federal stimulus. They could be given to one project or split up over several. Even if FutureGen got all \$1 billion, it would not be enough to cover Chu's March estimate that materials could inflate the cost to as much as \$2.3 billion.

U.S. Sen. Richard Durbin has called on Chu to indicate his support for the Mattoon plant by signing the record of decision, a statement that the project has met all required environmental standards for construction. "I think this is the best project to move quickly in coal research, good for Illinois, good for the United States and the world," Durbin says.

However, John Grasser, a spokesman for the Fossil Energy Division of the Department of Energy, says that the project must be resurrected before the statement can be approved. "The original FutureGen does not exist right now as a federal project. The record of decision is moot," he says.

Warren Ribley, director of the Illinois Department of Commerce and Economic Opportunity, says the plant's potential for job creation and economic growth should not be overlooked.

Ribley says he is "very confident that FutureGen would qualify for [stimulus] funding" because it is "a project that is ready to deliver immediate economic impact."

Jamey Dunn

For updated news see the *Illinois Issues* Web site at <http://illinoisisissues.uis.edu>



Cynthia Canary of the Illinois Campaign for Political Reform testifies to the Illinois Reform Commission in Springfield. Listening are commissioners Brad McMillan of Bradley University and Sheila Simon of Southern Illinois University Carbondale.

Effort renewed to get driving privileges for Illinois immigrants

Immigrants who cannot prove they are in the country legally may have a chance to become certified drivers in Illinois.

House Bill 988 would grant driver's certificates to people who lack the documentation required to get a license. Similar legislation passed the Illinois House last legislative session but stalled in the Senate. Proponents of the idea hope this year's change in Senate leadership will make a difference, given that new Senate President John Cullerton signed on as a sponsor of last year's bill.

If the measure becomes law, residents of the state would be able to get driver's certificates with federally issued tax identification numbers and passports, but they would not be required to present Social Security numbers. To get a certificate, applicants would have to pass a driving test and show proof of car insurance within 30 days of being certified.

The certificates would have a different color and appearance from regular licenses and could not be used as identification. Those differences would make them exempt from federal standards for driver's licenses and ID cards that each state must meet by 2011.

According to the Illinois Coalition for Immigrant and Refugee Rights, the impetus behind last year's effort was that an estimated 250,000 immigrants were driving in Illinois without licenses or insurance in 2006.

Rep. Edward Acevedo, a Chicago Democrat, sponsored last session's bill and is spearheading the effort again this year. He says it is time the state addresses the safety concerns associated with so many untested and uninsured drivers.

Former Gov. Jim Edgar agrees and says that more Republicans should support the bill. "We have to face reality. We can't just pretend these people aren't here and there isn't a safety issue."

Opponents of the bill say that it would reward illegal behavior and could provide a foot in the door for access to other programs and rights, such as subsidized medical care or voting.

Ira Mehlman, spokesman for the Federation for American Immigration Reform, says that undocumented immigrants should not be allowed to choose which laws they want to follow. "They [illegal immigrants] are not supposed to come here. They did anyway. They are not supposed to work here. They do anyway," he says. Mehlman advocates stronger penalties for driving without a license or insurance as a solution to get uninsured drivers off the road.

The Illinois Coalition for Immigrant and Refugee Rights, in the meantime, has switched its focus to the federal level because of another recent shift in power, the transition from President George W. Bush to President Barack Obama. "This year under new administration, we feel there is a real opportunity for change," says ICIRR Deputy Director Lawrence Benito. He says that reforms should be made nationally so that states do not have to address those issues individually.

However, Acevedo, a former police officer in Chicago, says he thinks his persistence in Illinois will eventually pay off. "Somewhere along the line, people will realize the safety issue behind this."

Jamey Dunn

Photograph by James Michael Veselnak



The bald eagle has been removed from an Illinois endangered species list.

Bald eagles make a comeback

A five-year study of endangered and threatened species in Illinois boasts an equal amount of good and bad news for Illinois' plants and animals. Fourteen species have been removed, while another 14 have been added.

The study conducted by the Illinois Endangered Species Board uses expert volunteers throughout the state to examine whether certain species are endangered or threatened with extinction. Over a five-year period, volunteers determine whether certain species have become a concern or have increased in numbers.

Some good news is that the bald eagle, once in danger of becoming extinct, has been removed from the list.

Anne Mankowski, executive director of the Illinois Endangered Species Board, says the increase in eagles surpassed the original goal that was set when the bird became endangered in 1967. The federal recovery goal for Illinois was 20 pairs of bald eagles by the year 2000. As the result of stringent conservation efforts, 24 pairs were spotted in 1996. Contributing factors include a combination of federal protection acts, as well as public education efforts and the reduction in use of the pesticide DDT.

Newly endangered

Birds

- *Ictinia mississippiensis* (Mississippi kite)
- Invertebrates**
- *Lithasia obovata* (Shawnee rocksail)
- *Arrhopalites madonensis* (Madonna cave springtail)
- *Diploperla robusta* (robust springfly)
- *Prostioia completa* (central forestfly)
- *Anthysanella incongrua* (leafhopper)
- *Centruroides vittatus* (common striped scorpion)

Plants

- *Carex plantaginea* (plantain-leaved sedge)
- *Gratiola quartermaniae* (hedge hyssop)

Reptiles

- *Apalone mutica* (smooth softshell)

Threatened

Amphibians

- *Necturus maculosus* (mudpuppy)

Birds

- *Coccyzus erythrophthalmus* (black-billed cuckoo)

Plants

- *Buchnera americana* (blue hearts)
- *Delphinium carolinianum* (wild blue larkspur)
- *Berchemia scandens* (supple-jack)
- *Cyperus lancastriensis* (galingale)
- *Juncus alpinus* (*Juncus alpinoarticulatus*) (Richardson's rush)

Reptiles

- *Terrapene ornata* (ornate box turtle)

De-listed

Birds

- *Haliaeetus leucocephalus* (bald eagle)
- *Ammodramus henslowii* (Henslow's sparrow)
- *Grus canadensis* (sandhill crane)

Since 2006, Mankowski says, about 100 nests have been recorded, indicating the birds are cohabitating and breeding. The same is true nationally.

Several other species of plants also were taken off the list. The plants include the seaside crowfoot, the lined sedge and the beach pea.

Some bad news is that the ornate box turtle is now listed as threatened because researchers have not been successful in locating the reptile. The turtle is unique because its habitat is mainly wooded and sandy areas, unlike turtles that gravitate toward water. Loss of habitat due to development is the main reason the turtle is disappearing. However, the creature also is appealing to collectors, and that adds to the threat, Mankowski says.

Mankowski says the greatest threat to plants and animals is loss of habitat. The latest list includes 151 animals and 332 plants added primarily because of pressure from development.

The board submits its recommendations to the Illinois Department of Natural Resources, which will conduct an internal review and propose changes.

Hilary Russell

BUZZ ABOUT BEES

Research may avert potential crop loss

Research at the University of Illinois at Urbana-Champaign may help reduce farmers' fear of Colony Collapse Disorder, an unexplained, massive die-off of bee populations. In 2006, scientists sequenced the genetic composition of the honeybee, which U of I researchers are using to help answer questions of what causes CCD.

"The sequence has given us the tools to use the latest methods to search for answers," says Gene Robinson, professor of entomology and director of the neuroscience program at UIUC. "We are measuring the activity of all the genes in the bee genome from colonies afflicted with CCD to get clues to what's wrong with them."

U.S. Sen. John McCain of Arizona brought bee research to the forefront in March when he criticized it as wasteful spending, an "earmark" that should be deleted from the federal budget.

However, bees are crucial to the agricultural economy. They pollinate more than 90 commercial crops grown in the United States and add an estimated \$15 billion in value, according to the U.S. Department of Agriculture. The agricultural and beekeeping industries are pushing for more federal funding for bee research to combat recent die-offs in many states throughout the nation.

About once in every 10 years, farmers experience "bee mortality," or Colony Collapse Disorder. None of Illinois' 1,350 beekeepers has reported colonies with the disorder. "We've had two suspect cases of CCD, but neither was confirmed, so we haven't been hit with it yet," says William Buckley, vice president of the Illinois Beekeepers Association.

Buckley says that in the early 1970s and '80s, Illinois beekeepers experienced what was then called the "bee disappearing disease."

For about a year, bees were dying off faster than normal, but no one paid any attention to the situation. The problem now, he says, is when bees die in a colony, other bees that normally feed



from them will not go near the dead ones.

USDA researchers are studying four suspected causes of CCD: pesticides, parasites, pathogens and stress.

"Farmers have been spraying the edges of their fields with pesticides to keep bugs away, but when they get rid of those bugs, they get rid of the forage that honeybees go after," says Buckley.

Companies that create pesticides label some of them as harmful to bees and warn farmers not to spray when bees are present, which is usually during the day.

"But not many farmers will get up at night to spray pesticides on their crops," says Buckley.

The increasing demand for fruit and vegetable crops has many farmers under pressure to meet consumer needs, which adds to the stress on bees. "Pollination today is five times more than what it was 20 years ago," says Buckley. Beekeepers now use two to five hives per acre, which he says is "simply not enough."

The Illinois Department of Agriculture is taking pre-emptive measures to assure that the quantity of bees remains abundant.

Steve Chard, apiary inspection supervisor, says between March and November, nine state ag department inspectors examine the colonies, checking for diseases or pests and recommending treatment for any problems they find.

The Illinois agriculture industry relies on bees to pollinate crops such as cucumbers, apples, blackberries, blueberries, cherries, muskmelons, peaches, raspberries and watermelons. If Illinois beekeepers were to experience Colony Collapse Disorder within their hives, farmers could see lower yields.

"We cannot make any estimation on how CCD will affect our crops here in Illinois," says Chard, "but there can be an impact on the quality and quantity of our fruits and vegetables."

Titilayo Agunloye

High school fishing tournament begins

Crank baits, wacky worming, Senkos, lures and swivels. Students are learning a new vocabulary by participating in the latest extracurricular activity offered in more than a third of the state's high schools. The Illinois High School Association has added a new sport: bass fishing.

The IHSA reports interest has been higher than expected in the first high school fishing program in the nation, with more than 200 schools across the state forming teams. Sectional competition takes place this month, and the state championship will be decided at Carlyle Lake in Clinton County on May 8 and 9.

Schools are seeing students who don't play "ball" sports — football, basketball, baseball, soccer — sign up for team fishing. And the competition is "all encompassing," available to boys and girls and to students with disabilities, says Dave Gannaway, who oversees the program for the IHSA.

"Some are crossovers, no question, because they love the outdoors, but it is reaching many students who have not been participating in any activities," he says.

Gannaway says the structure of the team competitions is somewhat loose as the IHSA feels its way through the first season. For the state tournament, a club can enter six students in teams of three, with two students in a boat at a time and an adult controlling the outboard motor (a student can operate a trolling motor). Winners are determined by the total weight of a team's five best fish. All fish caught are released after the adult in the boat records the catch. Adults do not offer any other help to the students.

Except for the boats and motors, most of the equipment the students need is fairly inexpensive, says Gannaway. People in the

communities donate the use of their boats and often volunteer to ride along and supervise the catch.

"The outpouring of support from people wanting to help the schools has been tremendous," says Gannaway, "from parents to groups in the community to bass clubs to bigger organizations to try to help us make this happen."

Sam Wilson, a special education teacher at Glenbard North High School in Carol Stream, coaches that school's team with English teacher Chris Mead and community member Kevin Sewell. Wilson says they can walk to where they fish in retention ponds and park district lakes within a mile of the school. The club will look at Internet sites for advice on bait and lures, but mostly, he says, "we just get outdoors and do show-and-tell."

Wilson says the catch-and-release program focuses on conservation. "I tell them they might catch that fish again next year, and it could be a pound heavier."

Gannaway says conservation, environmental protection and respect for the outdoors are aspects of the program the IHSA intends to emphasize as the sport moves forward.

Terry Brown, an IHSA board member and an early proponent of adding bass fishing as a sport, says states such as Missouri, Kentucky, Ohio and Texas are watching how the Illinois program works this first year. More than 10 million adults participate in bass fishing, he says, and the high school clubs can teach the skills and techniques used by professionals. Training the next generation also supports a growing Illinois industry that serves bass fishing.

"Becoming involved as a teen can create a lifelong passion for the sport," says Brown.

Beverley Scobell

Chicago celebrates the Burnham Plan

To commemorate the centennial of Daniel Burnham's *The Plan of Chicago*, DePaul University, in partnership with the Chicago Architecture Foundation, will host a conference on May 29 and 30 that will examine the plan's impact on the city of Chicago and its lasting legacy.

Burnham, who had served as director of works for the 1893 World's Columbian Exposition, co-authored the plan with fellow architect, Edward Bennett.

With the collaboration of the Commercial Club of Chicago, the men were able to publish their plan for the city in 1909. Considered one of the most influential documents in American urban planning, the plan proposed many of the distinctive features of the city, including lakefront parks, the Magnificent Mile and Navy Pier.

At the conference, *Burnham, Chicago and Beyond: Politics, Planning, and the Progressive Era City* will feature specialists in history, architecture and urban studies. Kristen Schaffer, an associate professor of architecture at North Carolina State University, Raleigh, will present *Not Just*

the City Beautiful: The Plan of Chicago and Making the City Better as part of the conference.

"Too often *The Plan of Chicago* is not as well understood as it could be. Too often Burnham is reduced to a city-beautiful architect," says Schaffer. "The plan gave a picture of a way of viewing the city, an attitude, a set of skills and a belief that something as large, complicated and unyielding as a city could be affected for the better. I think that is Burnham's legacy, not necessarily the recognized parts of the plan, but this attitude toward planning and the ability for each generation to participate in planning and making the city its own."

Urban historian Katherine Solomonson agrees. A professor at University of Minnesota, she will speak at the conference, as well. "Burnham hoped the plan would have an impact on the people's well-being. He hoped it would inspire the people through beauty, that it would create and serve as a sense of uplift. Today, it has created public spaces, such as North Michigan Bridge Plaza, the street itself and the lakefront parks, which became an important part of the image of Chicago that people know and seek out today."

In addition, the Burnham Plan Centennial offers activities to help visitors appreciate and learn more about the city of Chicago. The celebration includes special exhibits, walking tours and conferences throughout the summer and fall.

They include:

- Macy's on State Street: The Legacy of the Historic Marshall Field's Building. The 45-minute tour guides visitors through the State Street landmark. The tour focuses on the relationship between Marshall Field and Daniel Burnham, as well as the construction, development and renovation of the building.
- The Magnificent Mile Tour. Part of Burnham's *Plan of Chicago* was to build a bridge over the Chicago River at Michigan Avenue to extend the avenue farther north. Though not completed before his death, the bridge inspired the development of North Michigan Avenue into a vibrant Chicago attraction. The two-hour tour showcases a variety of different architectural and design styles.

Melissa Weissert

Making the world a 'cool' er place

When Wendy Abrams read a 2001 *Time* magazine article on the dangers of global warming, she was shocked and concerned by the magnitude of the problem.

"I thought someone else would fix the climate problem," Abrams says: "but then I thought, 'Shame on me. Why am I not doing something?' I knew I had to do something."

And she did. Inspired by Chicago's 1999 public art display *Cows on Parade*, Abrams came up with an exhibit of her own called *Cool Globes: Hot Ideas for a Cooler Planet*. The exhibit of 125 5-feet-tall fiberglass globes, which present the dangers of global warming and offer some positive solutions, was displayed at the Field Museum campus in Chicago. After traveling to Washington, D.C., San Diego and San Francisco, *Cool Globes* is preparing to add other cities to its itinerary. The exhibit will be in Los Angeles starting on Earth Day, April 22, and is scheduled to travel to London in 2010.

Abrams, a Highland Park mother of four, decided an outdoor art exhibit would reach the most people. "I felt like public awareness [about global warming] was missing and that people were tuning it out because it was overwhelming," Abrams says.

The project involves globes decorated with various environmental themes, highlighting small steps people can take to help stop global warming. It was launched in 2007, when John McCarter Jr., president and chief executive officer of the Chicago Field Museum, offered Abrams the museum as a site for her exhibit and helped her recruit artists to assist in creating the display. She also received help from Chicago's Museum of Contemporary Art and the Chicago Department of Cultural Affairs.

"We set up the globes along the Field Museum's campus and the lakefront, and we ended up with 125 globes," Abrams says.

The traveling *Cool Globes* exhibit mostly contains the globes used in the original Chicago display, but Abrams says that in each city, "a handful of new globes is added by local artists to help explain how global warming affects

their cities and the possible solutions that are unique to those places." That makes *Cool Globes* a collaborative, nationwide project.

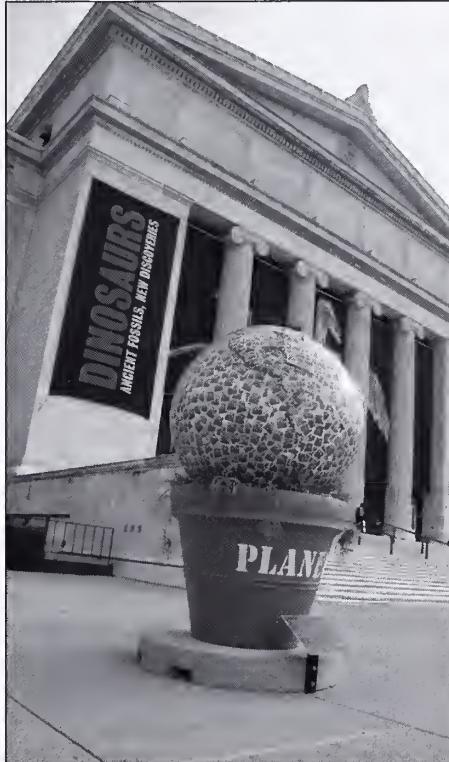
Abrams, a 2009 honoree of the Women's National History Project, says she is trying to change the world one globe and one small step at a time.

"This problem is solvable," she says. "It's about the little things — everyone can make a difference."

For more information, visit <http://www.coolglobes.com>.

Nicole Harbour

Photographs courtesy of Cool Globes



High expectations

The federal stimulus package could help, but it won't solve the expanding budget deficit

by Bethany Jaeger

Just as Illinois citizens want to know when federal stimulus money will trickle down to help them pay their mortgages or open the door to jobs, state officials want to know when the money will help them avoid drastic cuts to services or painful increases in state taxes.

Illinois likely will have to do both. The amount of money that state government expects to receive — about \$9 billion, depending on the source of the estimates — won't be enough to meet the needs of a decade of infrastructure projects, a \$5 billion backlog in unpaid bills and a deepening deficit made worse by decreasing revenues.

Some good news is that the White House estimates the stimulus could help create or save as many as 148,000 jobs in Illinois throughout the next two years.

But because the state's needs exceed its means, Gov. Pat Quinn and legislators will have to tread carefully as they divvy out the money.

The man overseeing the effort is Jack Lavin. As Quinn's chief operating officer, he also manages the overall effort to put the state back on the road to economic recovery. In particular, Lavin says the stimulus funds have to be coupled with a major capital construction program to build and repair roads, bridges and schools.

"To really get economic recovery, we need a capital bill, and we need to make sure that the regular operating budget of the state is balanced and that we're marshaling all the resources — stimulus, capi-

tal, operating budget of all the agencies — toward economic recovery. I mean, that's the only way we're going to do it."

According to Lavin, about \$2 billion of the stimulus funds could help ease the state's deficit in each of the next two years. Projections of the deficit, however, are as high as \$11.6 billion.

"Clearly the economic stimulus is going to help, but it's just one piece of putting together a budget that has a significant deficit," he says, pausing to add: "Maybe significant isn't a strong enough word. This is unprecedented in Illinois history, and it's going to be tough."

Anticipation of the federal funds sparks a few concerns among legislators. In addition to knowing the stimulus funds aren't enough to help the state heal from the recession and underlying deficit, lawmakers also fear that the one-time influx of federal cash will build a false sense of hope that the state will be able to maintain the higher levels of funding once the federal money runs out. Agency directors also project that they'll need to hire more staff to handle the increased workload.

Whether the state can maintain higher levels of funding beyond the next two or three years is a concern among Democrats and Republicans alike.

GOP Sen. Matt Murphy of Palatine spoke during a late February legislative committee hearing about the stimulus package: "We're going to get all this money coming in, and it's coming in at one time. Are there strings attached to some parts of this that require us to start a new

program here or expand a program there, that we're going to be living with indefinitely and, at some point, the state's going to have to fund?"

Concerns similar to Murphy's resonate across the country, according to Carl Tubbings, deputy executive director of the National Conference of State Legislatures based in Washington, D.C.

"The theory, of course, behind it is that if the federal government provides this money over the first couple of years, state economies will start to improve, and they would be able to assume some of these costs. But a lot of legislators are worried that they'll make these commitments and build expectations, and then the money goes away, and they'll have to deal with that in their budgets in a couple of years."

The arrival date of the federal funds depends on which bucket of money they are coming from and which projects they would fund. Some of the rules also require the governor's office to file statements about the intended use of the money and the level of state funding dedicated to the projects.

Other portions of the federal stimulus will go directly to local governments, meaning they won't necessarily affect the state's budget for day-to-day operations.

The consolidated time frame for some of the spending also raises some red flags for legislators, particularly as frustrations from the administration of former Gov. Rod Blagojevich spill over to this administration. Lawmakers warn Quinn, who was lieutenant governor under

Blagojevich but whose leadership style drastically differs, that the legislative branch needs to have a say in how the money is distributed.

"It's not news that this past administration, it was not known for being very transparent and accountable," Sen. Martin Sandoval, a Chicago Democrat, said to Lavin during a February committee. "In fact, that's why he's gone."

When learning how the Illinois Department of Transportation formed its list of "shovel-ready" projects, Sandoval said: "The government is broken, and the systems and the processes that have been used over the last six years don't work, shouldn't work, and we shouldn't be using them. And so there should be leadership from the governor's office, from your office, demanding transparency and accountability in the prioritization process before we get notified."

Lavin emphasizes the administration's desire to make the process transparent and accountable, forming partnerships with lawmakers and agency officials. He adds that Quinn has made it clear that he wants his administration to work closely with lawmakers and, in fact, has regularly met with legislative leaders.

The other half of the battle is to win the confidence of the general public, Lavin says, so they feel good about what state government is doing and start to spend money.

"The only way we're going to get out of this is by working together."

Three areas the legislature has closely studied include transportation, education and Medicaid. Here are some details:

TRANSPORTATION

Some stimulus funds come with strings attached, as well as use-it-or-lose-it provisions.

The Illinois Department of Transportation, for instance, must indicate to the feds by July the amount of state dollars designated for specific projects. Then Congress will come through and sweep any money that's left over, according to Christine Reed, director of highways and chief engineer for the department.

"We do not want to lose those federal funds. We've been very, very aggressive to make sure not only do we not lose that federal money, but we're first in line to say, 'Hey, give us Mississippi and Mon-

tana's money 'cause we're ready to go,'" she told Illinois senators in late February.

The department expected to receive \$400 million by the end of March. In total, it expects to receive about \$936 million for roads and bridges. Still, Milton Sees, former secretary of transportation, said in late February that the stimulus funds were "woefully inadequate" to meet all of the state's road construction needs.

Federal legislation dictates that 30 percent of the transportation funds must be set aside for local agencies. Reed said that amounts to about \$281 million, most of which will be directed to major metropolitan areas. Some will be available for rural areas.

A majority of the first wave of transportation projects will resurface dilapidated roads, which are considered short-term projects. The second wave of funding could allow for longer-term projects that, for instance, could improve traffic congestion at busy intersections.

But the more complex the project, the more engineering and design work required.

The Federal Highway Administration already sent a letter to Quinn and department officials stating concerns that the agency would not have enough staff, such as engineers, to manage the number of large projects funded through the stimulus.

Reed said in February that the agency is rehiring some retirees or temporary contract workers to handle the increased workload.

EDUCATION

The governor will have discretion over how to spend certain portions of the money. One example is increased education funding.

"What you find is that the federal bill gives the parameters in areas, but there will be a significant amount of discretion



Jack Lavin, Gov. Pat Quinn's chief operating officer, is responsible for coordinating the way Illinois will spend its federal stimulus money.

at the state level as to, say, how much goes to K-12, how much goes to higher ed," Judy Erwin, executive director of the Illinois Board of Higher Education, said in late February. "Those are going to be policy decisions."

The governor's office has encouraged state agency directors to be as creative as possible, she said. "We don't exactly know what the federal rules are going to be, but I think we're all going to try to push the envelope as far as we can."

State education officials for elementary, secondary and post-secondary levels expect to receive more than \$2 billion of stimulus funds over two fiscal years. But that won't meet the need.

Christopher Koch, state school superintendent, estimates that K-12 institutions statewide need about \$2 billion for construction and an additional \$2.5 billion to bring the amount spent per-student in line with recommendations of an independent state panel, the Education Funding Advisory Board.

The stimulus funds won't pay for construction of new school buildings, although they could fund rehabilitation or renovation of existing schools.

Many of the schools, including higher education institutions, haven't received state aid payments since September, and public universities and community colleges experienced a midyear 2.5 percent revision in funds this winter.

"So regardless of what the budget book says, they're looking at having to borrow

money to meet payroll, possibly, just because there just isn't any money," Erwin said.

The education portion of the federal stimulus package was written with states such as California, not Illinois, in mind, Erwin said. She and Koch told legislators in late February that federal rules intend to ensure that all public institutions are funded at 2006 levels. Because Illinois has increased funding each year since 2006, they said Illinois may capture less money than other states.

The effort to be creative could include some risk.

Erwin and Koch say the state could be

The highlights

According to early estimates, Illinois could receive about \$7 billion for programs and state operations. That includes funding for existing programs:

- \$2.9 billion for Medicaid.
- \$2 billion for school aid.
- \$110 million for workforce investment programs.
- \$276 million for "green" jobs and weatherization programs.

The stimulus package also could bring in about \$2 billion for infrastructure and capital construction projects:

- \$935 million to rebuild highways and bridges.
- \$371 million for transit assistance.
- \$260 million for wastewater and clean drinking water projects.
- \$222 million for public housing.
- \$24 million for education technology.
- \$110 million for energy programs, some of which could be used for operations and some of which could be used for construction.

The state also will be able to compete for grants in a number of areas:

- Mattoon could compete for funding to rekindle the first-of-its-kind clean-coal FutureGen project.
- Homeland security, broadband infrastructure and Army Corps of Engineers projects also could be eligible for grants.

allowed to temporarily divert money away from public education to trigger the flow of more federal stimulus funds that could backfill the hole. But they don't recommend it, and it would require federal approval.

Sen. Dave Syverson, a Rockford Republican, said during the committee hearing that local school officials expect funding increases that they may never see. "They're not going to be getting huge increases over what they got this year."

Sen. James Meeks, a Chicago Democrat, added, "It seems quite amazing that we are the only people who can get billions of new dollars, hundreds of millions of unexpected dollars, and at the end of the day, end up at a net loss."

In addition to "stabilization" funds for education, the stimulus will grant about \$420 million to local districts based on the number of students living in poverty and the number of students enrolled.

But the portion of the stimulus funds that could be used for technology, early education or special education might not start trickling down to schools until the 2009-2010 school year, according to Koch.

That could be too late for school districts as they draft their budgets for the next fiscal year and try to figure out whether they need to lay off staff, says Rep. Roger Eddy, a Hutsonville Republican and a school superintendent.

One bright spot is for higher education, which will get a significant boost in the Federal Pell Grant Program that provides needs-based grants to low-income undergraduate students. The maximum grant amount is increasing from \$5,350 this school year to \$5,550 in 2010 and 2011.

Stanley Ikenberry, former president of the University of Illinois and a current professor with an appointment with the Institute of Government and Public Affairs, says increased student financial aid will become even more important as public and private institutions consider raising their tuition and fees to compensate for losing as much as 50 percent of the value of their endowments from stock market declines.

During Blagojevich's administration, students of all income levels in Illinois

have paid more in tuition as state funding levels for higher education decreased, Ikenberry says.

For instance, Glenn Poshard, president of Southern Illinois University, said last month that the institution received \$9 million less this year than it did eight years ago, and tuition has nearly doubled since 2004.

MEDICAID

The state could receive \$2.9 billion in federal Medicaid reimbursements, which pay hospitals, nursing homes and long-term care providers that care for low-income and disabled patients.

The feds also are offering a temporary increase, from about 50 percent to about 60 percent, in the rate at which the state is reimbursed. But it's all predicated on the requirement that the state pays medical providers within 30 days of receiving the bill.

That's a tall order for Illinois, which is on its way to a record high backlog of \$3 billion in overdue Medicaid bills, according to Comptroller Dan Hynes. He says providers are waiting as long as 10 months for payment.

Hynes worked with Democratic Sen. Jeff Schoenberg of Evanston to advance a plan that would use an existing Medicaid program to earn the enhanced reimbursement rate, potentially capturing an extra \$160 million that could help pay nursing homes, long-term care facilities and services for the developmentally disabled through 2010.

"The federal stimulus plan, in addition to giving us a chance to recoup hundreds of millions of dollars in additional funds — billions of dollars, actually — it is causing us, forcing us, to come into compliance with something that Sen. Schoenberg and I have been fighting for years, which is to pay our providers on time," Hynes says.

Sen. Dale Righter, a Republican from Mattoon, says one concern is that the influx of Medicaid dollars could entice legislators to create new programs that the state can't maintain.

"It's clearly not a good move when you're leaving the Medicaid providers out there to hang, if you will, trying to borrow money from banks or whoever it might be to stay afloat." □

The work of nonprofits

Helpful organizations' finances are tight at a time when their services are needed most

by Crystal Yednak

This month, *Illinois Issues* begins a three-part intermittent series of reports on the state of nonprofit organizations and philanthropy in Illinois.

The series was made possible through a grant by the Donors Forum, a Chicago-based umbrella association for foundations and other charitable organizations. The Donors Forum agreed to exert no editorial control over the content of the articles or the selection of the writers and photographers and did not review the reports before publication. All decisions on those matters were made by the editorial staff of *Illinois Issues*.

There also was no agreement to use information routinely compiled by the Donors Forum in the articles, but as the state's premier clearinghouse for facts and figures about charities and nonprofits, it proved to be a valuable resource, as did many other organizations that were interviewed, consulted or photographed for these reports.

According to the Illinois Nonprofit Economy Report, published by the Donors Forum in 2008, nonprofits in the state employed more than 427,000 people in 2007, the latest year for which figures were available. That amounts to more than 7 percent of the state's total workforce and constitutes an annual payroll of more than \$16.5 billion.

Most provide services that directly affect the state's most vulnerable residents, including health care,

education and human services such as emergency housing, child-care, vocational rehabilitation and training for the developmentally disabled. They often provide a safety net for those who, for whatever reasons, are facing financial difficulties.

Unfortunately, the number of Illinoisans facing hardships is growing as the state's and nation's economies contract. That makes the services performed by nonprofits all the more essential. But when they are needed the most, nonprofits are facing hard times themselves.

To maintain financial stability, most nonprofits rely on charitable donations, contracts with public agencies or revenue they generate as part of their normal activities. But those resources dwindle during financial crises, stretching nonprofits' already tight financial lifelines to the breaking point.

In these articles, as well as ones that will appear later in the year, we hope to show the breadth and depth of the services nonprofits provide, profile philanthropic and other charitable organizations that support them, point out successes and failures and cast an eye toward the future. We invite you to travel along with us on this journey.

— Dana Heupel
Executive editor

When the mother discovered her daughter had been sexually assaulted, she picked up the phone and called Metropolitan Family Services, a 150-year-old nonprofit agency in Chicago that helps people with no place else to go.

Inside the agency's southeast Chicago office, intake worker Lilia Gutierrez, 27, listened calmly in her cubicle as the woman pleaded for help. Normally, Gutierrez would schedule an appointment and connect the distraught mother and daughter with a counselor as soon as possible. But with skyrocketing demand for services and plummeting resources, there is no room in existing programs, no money for additional services and, truly, nowhere for many to go.

Her job is now about deflection, filling out pink intake forms for people who may never get services.

Photograph by Darrell Goemaat



Jessica Rebstock, left, and Paula Berg lift bags of grocery items they have assembled for waiting families at the Oak Park River Forest Food Pantry in Oak Park.

"It breaks my heart," says Gutierrez, who spends a lot of time searching for other agencies where she can refer people for help. "The mother was crying, and she felt that everywhere she turned for help, she was turned away." Gutierrez eventually was able to find a general counseling slot for the traumatized family about a month later.

As the imploding U.S. economy shrivels its financial resources, Metropolitan Family Services has had to deflect as many as 90 percent of the calls it receives for counseling.

"We had to take all those people coming in and say: 'Go to the local hospital. Check out another mental health agency,' although they were deflecting, too," says Suzanne Strassberger, the agency's vice president of government affairs. "Really, people aren't getting services."

Across Illinois, a web of nonprofits provides the human services that keep many families from tragedy. They are responsible for running the soup kitchens, leading the after-school tutoring programs, retraining workers who have lost jobs and counseling families who have lost their livelihood, their homes and everything else.

But that network of nonprofits is being forced into a potentially devastating position.

Nearly two-thirds of nonprofit executives responding to a February survey by the nonprofit community development institution IFF said they are worried about their agencies' future financial health. About 22 percent of the 116 respondents reported chronic financial problems but expected to survive this year.

"There is a high degree of this feeling of vulnerability that we haven't seen before," says Trinita Logue, president of IFF, which formerly was known as the Illinois Facilities Fund.

To do their work, the 29,300 nonprofits registered in Illinois rely on a mix of government dollars, foundation grants, private fundraising and their own endowments. Many nonprofits that depend on state contracts have been pushed closer to the breaking point. State payments have lagged as long as six months behind, forcing agencies to borrow money or pull from other areas to remain afloat while they wait for reimbursement. Because of the stock market crash, foundations that fund many nonprofits' work have taken

large hits to their endowments — some by as much as 30 percent — so they have fewer dollars to give.

The pressures can be seen in the pleas made to the United Way of Metropolitan Chicago. That agency has received \$6 in requests from agencies for every \$1 that it has in the bank to help people become financially stable, says spokeswoman April Redzic. That's double the number of requests United Way received last year. The United Way has alerted nonprofits to expect an estimated 15 percent to 20 percent reduction in grants.

Smaller community foundations are experiencing the same problem. "We've seen a downturn in the market value of our endowment, so that's going to have an impact on our grant-making ability in 2009," says Jill Blickhan, executive director of the Community Foundation of the Quincy Area.

The effects on nonprofits have been immediate. Agencies have laid off staff, increased wait lists, denied services, cut programs, partnered with other agencies and closed sites altogether — with more bad news expected.

In the IFF survey, some agencies reported an increase in the clients they are serving, which does show an ability to respond to the crisis, says Susan Cahn, research director for the IFF. But the responses also raised concern about the financial strain on the organizations. Nearly 60 percent of respondents used their financial reserves to help with cash flow problems during the last fiscal year, and almost a third depleted them.

"Cash reserves are absolutely critical for nonprofits to survive and have stable operating environments in any given year," Logue says. "Cash reserves are even more critical in a time of economic crisis. ... Meanwhile, we know certain operating costs have gone up — utilities, food, these kinds of things. It creates terrible challenges for them."

Although some agencies are deflecting clients, that doesn't necessarily mean the system as a whole is saving money when people are turned away. Problems that could have been addressed at a more manageable level are allowed to escalate to a crisis before people can get services, agency administrators say. A person who

THE IFF SURVEY

To gauge how nonprofits are faring in the economy, IFF surveyed a random sample of more than 600 nonprofits throughout the state, from arts organizations to human service agencies both large and small. IFF received responses from 116 groups for this February 2009 survey.

NONPROFITS AND THE ECONOMY

In the past year, how has your organization experienced or been affected by the environmental changes listed below?

	Significant negative impact	Some negative impact	No impact	Some positive impact	Major positive impact
Economic downturn/recession	32 percent	61 percent	4 percent	3 percent	0
Delays in state payments	44	35	21	0	0
Restructuring of public sector support	15	42	42	1	0
Freezing of credit markets	6	19	74	0	0
Reduction in individual contributions	16	57	26	2	0
Decline in endowments	27	25	45	2	2
Other	40	15	35	5	5

THE FUTURE

Which of these statements best describes your organization's future in the next three years?

- Our programs and finances will remain unchanged. **21 percent**
- We will expand services in certain key areas. **31 percent**
- We will need to reduce key program budgets and services. **21 percent**
- We will need to examine all of our existing assumptions and will probably emerge as a very different organization than we are now. **26 percent**



Instructor Fabian Rawls watches program supervisor Anita Lewis create a budget during a computer usage class. The eight-week class is offered once a week to about eight to 10 students who are clients of Metropolitan Family Services. The instructors teach and demonstrate typing, e-mail accounts, Microsoft Word, Microsoft Excel and how to use the Internet.

needed some counseling for a less serious mental health issue may later turn up in jail or at the hospital emergency room after the problem has worsened, requiring more expensive treatment and causing more suffering for relatives.

Sheri Steele, 33, who lives in the western suburbs of Chicago, knows the pain of waiting for help. Her young daughter initially received counseling services through Metropolitan Family Services in DuPage County. But when the girl's problems resurfaced last spring, a wait list had developed, and it took several months to get a counseling slot. The family was pleased with the care she eventually received and understands the agency's situation in a tough economy, but at the time, Steele says, the wait was excruciating. "My daughter wanted to hurt herself, and she's 9."

The unique circumstances of the housing crisis have forced nonprofits to stretch in new ways. Many of the people asking for financial assistance to stay in their homes are suburbanites with large mortgages, says Christene Dykes-Sorrells, director of the emergency assistance department for Catholic Charities of the Archdiocese of Chicago. "We're seeing a lot of our people from affluent areas," she says, listing off wealthier communities on Chicago's North Shore. "Places we had not been seeing people coming from."

It costs a lot more to keep homeowners in their homes. A renter seeking financial assistance to avoid eviction usually needs

about \$750, but the average monthly mortgage payment is more than \$2,000, Dykes-Sorrells says. "Where I could take a grant and take care of 30-40 people, now I'm looking for that grant to whittle down to help 10-15 people because of the amount of money we need to spend to make some sort of inroads in the demand we see."

In Peoria, where major employers such as Caterpillar have announced thousands of layoffs that then have a trickle-down effect on the local economy, workers at the Salvation Army have seen some familiar faces among the ranks of people asking for help, including former donors.

"We're seeing more people, yet some of the people we count on to help address those needs are now asking for our services," says Rich Draeger, assistant development director for the Salvation Army's Heartland Division, which covers Peoria.

The food pantry in downtown Peoria served 4,400 meals per month to the downtrodden during the first half of 2008. For the second half, that number rose precipitously to 7,300 meals per month, he says. And the holidays brought a 53 percent increase in the number of people asking the Salvation Army for coats for their kids, Christmas food baskets and toy giveaways. "That's pretty overwhelming," Draeger says.

The significant need prompted the organization to take an introspective look and ask, "Are we trying to do too much?" Draeger says. Administrators considered

scaling back some programs to better focus on the community's most important needs. "Ultimately, our goal is to not have to turn people away. But if you continue to see increases, that money has to come from somewhere."

The nonprofit network in Illinois relies on the larger, established agencies to provide services, as well as on smaller operations that may be run out of church basements or corners of community centers. Nonprofits large and small must become creative to meet the demand.

The line at the Oak Park River Forest Food Pantry in suburban Chicago has grown by as many as 100 people from one month to another, says Kathy Russell, the pantry's co-operations manager. When the pantry is surprised with that many new faces, the staff has to improvise to make the food they have on hand stretch. Instead of the usual four cans of soup, a family may get only two. Russell then bumps up the food order and makes an appeal in the local newspaper for help. The pantry serves a unique, economically diverse community that features a mix of million-dollar homes as well as low-income dwellings. The story seems to resonate with people who may worry they're just one layoff away from needing help themselves. Neighbors opened their checkbooks, and contributions rose from \$89,000 to \$166,000 in 2008, with much of it coming from individual donors, Russell says.

Even nonprofits that don't provide basic food, shelter or clothing are feeling the strain of increased demand. In a strip-mall store that previously housed a Curves women's gym, Tabitha Major and volunteers of the UNITY Community Center in Normal have been able to keep the doors open for kids in the agency's free after-school program.

Major, site coordinator of the community center, spent last spring worrying about whether the organization's line item in the state budget would be cut completely. It survived, but staff have since watched the families in the center's after-school program stretch their resources thinner than ever before. "One single mother here is going to community college, working two jobs. She's trying to keep the lights on, the car running. Who's going to help her with her two daughters?" Major asks.

Continued on page 23

Dealing with budget uncertainty

From feeding the hungry to caring for the sick, state government relies on nonprofits to provide many of the essential human services that its residents need.

Once the state of Illinois signs a contract with an agency, the agency must provide the service, but the state sometimes doesn't pay for it until four, five, even six months later, nonprofit leaders say. State budget cuts only add to that pain.

The budget uncertainty sometimes pushes agencies to within an inch of closing their doors before — finally — an influx of cash will come pouring in, as it did last year after the state borrowed \$1.4 billion in December to clear out its payment backlog. But by February, the backlog was again climbing toward its original \$3 billion level.

"One of the unfortunate consequences of bad budgeting and a bad economy is that our providers who citizens rely on to attain state services are feeling the pinch and are shouldering much of the burden of an imbalanced budget and a backlog of bills," says Illinois Comptroller Dan Hynes, who has been vocal about the need to fix the state's chronic budgeting problems.

His office receives daily calls from vendors facing financial hardship because of the limbo they've been forced into while awaiting state payments.

"We understand [nonprofits] are frustrated with what's going on. They're put in a very difficult position where they're just trying to run their own business and provide critical services. Their job is made much more difficult because the state is not meeting its responsibilities," Hynes says.

In many cases, the agencies take on extra costs to provide services for the state. Take the case of Streator Unlimited, a nonprofit that helps people with developmental disabilities work and live independently. In 2008, the organization had to take out a line of credit, paying \$900 a month interest on money it borrowed to make its payroll while waiting for state payments that were six months late, says executive director John Mallaney.

At one point, the state owed Streator Unlimited 20 percent of its annual \$2.5 million budget. "Even though you're owed the money, it's not in the bank," Mallaney says. The interest the organization paid is money that is not going to help train the disabled or to pay staff. It's money the agency won't ever be repaid, he says.

He credited a dedicated staff with helping Streator Unlimited get by while the agency left vacant positions open, made do with

old equipment and cut back on outings for the people it serves. The outings "are a really important part of what we do, but it's also expensive. When you don't fill positions, you have to have staff cover more people," Mallaney says.

In December, Streator Unlimited finally received a check from the state. But that good news was packaged at the same time with some not-so-good news. The state cut a grant the agency had been counting on by \$10,000, Mallaney says.

Nonprofits across Illinois complain about the way the state's unpredictable budget affects their own bottom lines in a trying economy. With companies laying off workers left and right, more and more of the unemployed find themselves needing the services nonprofits provide.

"Hospitals find themselves caught in a situation where the numbers of uninsured they're serving goes up, the number of Medicaid beneficiaries goes up, but the state is paying in an untimely way," says Howard Peters, senior vice president of government affairs for the Illinois Hospital Association. Some hospitals are owed for services rendered seven months earlier, he says.

Peters says the problem has become progressively worse over time. "Once upon a time, the problem was they weren't paying on average for 50 days, then 50 became 60, 60 became 75, 75 became 100, and then you have the situation we have today."

Nonprofits also criticize provisions in state contracts that allow the state to pull out if money is not available. However, the agencies are not allowed similar leeway. They must staff up and prepare to provide services based on the contract, says Suzanne Strassberger, vice president of government affairs for Metropolitan Family Services in Chicago. The state "needs to honor the integrity of the contracts. Otherwise you're going to see a whole infrastructure of services you didn't even know was out there collapse."

A coalition of human service organizations is working to impress that idea on legislators. "The state needs to look at the human services sector as public infrastructure. Just like bridges and roads. The state needs to be looking at maintenance and in some cases, repair of human services in the state," says Jack Kaplan, director of public policy and advocacy of the United Way of Metropolitan Chicago and Illinois.

And even when state payments do arrive, agencies say that they haven't seen any increases in several years to keep pace with rising costs and inflation. Kaplan says, "There's a growing concern that there's not proper payment."

Crystal Yednak



Streator Unlimited client Nino Muscato catches a ball during his day's activities at the Streator facility.



Streator Unlimited staff member Sue Donnell helps client Jim Young complete wooden puzzles during classroom activities. Roughly 80 percent of the organization's budget comes from the state, which was six months behind on payments to Streator Unlimited for much of 2008.

For the first time this fall, as more families needed help with finding after-school care for their children, the program opened its first wait list and now has 20 kids in line for services. Major is hoping for grant funding to expand the one-room tutoring space, but grants are not easy to come by when just about every other nonprofit is also looking for more funds to expand services or meet demand.

"Plus, so many places are just trying to keep the doors open," Major says. While focused on that, many smaller nonprofits don't have the time or manpower to invest in competitive grant proposals, she says.

The nonprofit sector has weathered previous economic storms, but some agency veterans worry that innovation may be left behind as organizations focus on survival.

"The role of the nonprofit sector should be introducing innovative service delivery systems that the state can replicate, but we're not able to innovate like we used to in the nonprofit sector," says Richard Jones, chief executive officer of Metropolitan Family Services, which had to lay off 50 people after unexpectedly losing \$1.5 million in state funding. "We're so busy just trying to maintain contracts and keeping our doors open that I don't think enough attention or time has been allocated recently to new models of care or new best practices."

The economic uncertainties have also stalled improvements. Nonprofits are delaying or stopping capital projects and pushing off launch dates for new capital campaigns, according to the IFF survey. In Mattoon, the Lumpkin Family Foundation was gearing up to start a local food program to diversify agriculture in the area and develop new markets for local producers. The foundation readied to hire a staff person for the project but backed away after its endowment report came back showing a need to rein in spending, says Bruce Karmazin, its executive director.

Donors did reassess their financial situations as companies closed up shop and the government bailed out the financial industry, says James Lewis, senior program officer for basic human needs for the Chicago Community Trust. "The first question just about everyone is asking right now is, 'Am I OK?'"

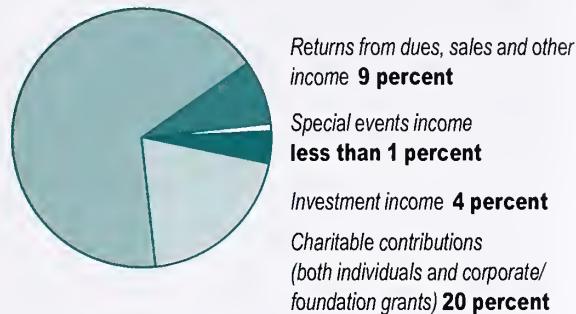
Foundations say that individual giving continues despite the economic crisis but

WHERE THE MONEY COMES FROM

The Donors Forum analyzed revenue information from the 12,000 largest nonprofits in Illinois. Together, those organizations pulled in about \$55.5 billion in revenues in 2006, the most recent year for which data is available.

Here is a breakdown of where the billions come from:

Program services and contracts
(including significant government funds)
67 percent



WHERE THE MONEY GOES

A rough estimate of how the money breaks down.

(Figures include smaller organizations not included in the total revenue estimates.)



note that people want their donations targeted to the most urgent needs of individuals who are losing jobs, health insurance and their homes.

Larger donors are focusing their attention on those emergency needs as well. As the mortgage crisis unfolded, the John D. and Catherine T. MacArthur Foundation pledged \$68 million in grants and low-interest loans for foreclosure prevention. The Chicago Community Trust announced "The Unity Challenge" to raise money for nonprofit agencies that concentrate on meeting basic human needs such as food and shelter. The trust will provide a two-for-one match on every dollar up to \$1 million in new donations.

"We'll fill those cracks in terms of providing basic emergency services, but there's a big difference between getting someone off the street into a bed, as opposed to actually getting them into their own apartment where they actually have a job," Lewis says.

Illinois nonprofits have worked diligently for years to move people into stable housing or jobs, but each uptick of the unemployment rate wipes out years of work. It takes an enormous amount of resources to recover that ground, Lewis says.

As they try to keep up, some nonprofits may fall victim to the economy themselves as they try to help those hit hardest.

At Asian Human Services in Chicago, recently laid-off individuals are breaking down the doors to enroll in employment training programs, says chief financial officer Marlene Hodges. The agency had a state contract to serve 95 people annually, and halfway through the year, Asian Human Services had enrolled 120. The agency relies on many state contracts, which leaves it at the mercy of officials who often change the terms of the contracts once the services have been delivered. That then forces tough financial decisions for the organization, Hodges says.

Hodges wonders how many nonprofits will emerge healthy after being hit by increased demand, decreased resources and questionable state funding.

"It's somewhat survival of the fittest. I can't imagine all will survive," she says. "It's just hard to provide decent service — not Cadillac service — decent service. ... This particular agency, at this moment in time, will survive, but it will have taken a whole lot of sleepless nights." □

Crystal Yednak is a Chicago-based free-lance writer.

Chilly climate

Experts say the forecast is frigid when it comes to home sales

by Marcia Frelick

Colin Gilbert knows the gamble of trying to sell a home in Chicago's battered market. Finding a house he liked in the suburbs was the easy part. He was getting married within the year and was ready to trade up to a bigger place closer to the law office where he is a partner in the northwest suburb of Barrington.

But selling his one-bedroom condo in Chicago's Lincoln Square neighborhood would prove much more difficult. He started putting the plan in motion in February 2008 and was eager to make the move as his 35-mile commute was getting increasingly costly with gas prices creeping up to \$4 a gallon.

He knew the housing market was already tight, and he knew he probably wouldn't get the \$240,000 asking price. So after three months, he dropped the price to \$230,000.

When it still didn't sell after a month at \$230,000, Gilbert, 28, and his then-fiancé decided to buy a two-bedroom house in Arlington Heights and try to rent out the condo. Finding the right price point and then finding renters with good credit histories took only about a month, he says. By the time he was ready to rent, he had four good candidates.

"Charging rent didn't cover all our expenses with the mortgage, assessment and taxes, but we were still saving a lot on gas. And houses were going for so cheap in the suburbs that it was hard to pass up," Gilbert says.

"When the upturn comes, we'll do an assessment and see if it's worth keeping the property or trying to sell it," he says.

Gilbert found a way around the plunging market that is trapping homeowners throughout the United States. But for many in Illinois, the picture is bleak.

A barrage of grim headlines continues to haunt the state — home sales: down; median prices: down; jobs: down; consumer confidence: down; budget deficit: up; foreclosures: up.

And consumers looking for the bloodletting to be over soon will be sorely disappointed. Economists say they don't see any relief even a year from now, and things could get much worse.

Among the uncertainties about when a turnaround might come is what effect President Barack Obama's recently signed \$787 billion economic stimulus package and \$75 billion home-rescue packages will have on energizing the national economy and how that will play out in Illinois.

What is certain is the damage already inflicted.

Statewide, home sales sank 23.9 percent in January from the same month in 2008. The median sale price for single-family homes and condominiums was down 19.6 percent statewide in January, from \$186,500 in 2008 to \$149,900, according to the Illinois Association of Realtors. In Chicago, home sales were down 24.5 percent from last January,

and the median sale price was \$185,000, down 22.8 percent from \$239,500 in January 2008. At the root of the crisis are massive job losses in Illinois and throughout the nation and the subsequent erosion of consumer confidence. Illinois has lost jobs for nine straight months, 100,700 total in 2008. The state's unemployment rate in January was 7.9 percent, higher than the U.S. rate of 7.6 percent. The nation lost 3.7 million jobs last year, 50 percent of those in the last three months of the year.

Job loss ate away at optimism throughout the country. In February, the national consumer confidence index continued a stunning slide to a historic low of 25, the worst since the index debuted in 1967. A year ago that number was 76.4.

When people are worried they will lose their jobs or will have to take pay cuts or reduced hours, they won't buy homes, and the gap between sales and inventories grows. Of further concern is that the number of new jobs in Illinois isn't keeping pace with the national average.

"Illinois creates jobs at about half the rate of the nation," says Geoffrey Hewings, economics professor and director of the Regional Economics Applications Laboratory at the University of Illinois. "We track everything back to 1990, and with the exception of a couple of years, the U.S. has added 24, 25 percent in jobs



Statewide, home sales sank 29.3 percent in January from the same month in 2008, and the median sale price was down 19.6 percent.

since about 1992. Illinois added about 12 percent. It's one in a set of ironies — we are one of the richest states, but we put virtually no money at all into how our economy works."

Much of the state's job loss has been in the manufacturing, construction and trade, transportation and utilities sectors.

Pat Callan, president of the Illinois Association of Realtors, adds that employers have been reluctant to move their companies to the state because of the current economic conditions — state government is facing up to an \$11.6 billion budget deficit by the latest estimate — and poor tax incentives. Though Illinois is losing jobs each month, other Midwestern states are faring much worse. Michigan, Indiana, Iowa, Wisconsin, Missouri and Ohio lost jobs at about twice Illinois' rate.

But Illinois is more prominent nationally in foreclosures. Nationwide, there were 3.2 million foreclosures last year, an 81 percent increase from 2007. Illinois ranked No. 6 in the nation in Janu-

ary foreclosure rates, which shot up 85 percent from the previous January, according to RealtyTrac, a California-based research firm that publishes a national database of foreclosure properties. Most are in the eight-county Chicago area.

The high numbers are just catching up with a trend that started much earlier, says Mabel Guzman, a director with the Chicago Association of Realtors. Many owners have known for many months that they were in trouble and called their lenders to tell them they would have difficulty paying their mortgages. But since they weren't yet behind in their payments, we're only hearing about them now, she says. Also, it has taken banks a while to figure out just what properties they have on the books and how to price them and list them as active foreclosures.

Job creation and easing credit restrictions will be key to getting the Chicago market moving, she says.

"The lending process has been tough. Right now it's 25 percent [for a down

payment]. ... When you have created the condition when you can buy with 5 to 10 percent down, then people get used to that. So now, 25 percent down for a good rate? People say, 'Where am I going to get that?'"

Foreclosures — often with ominous posts on the front door, boarded-up windows and signs of disrepair — are a visible sign of distress in neighborhoods and pull down the values of homes within a half-mile radius, as well as sapping neighbors' confidence.

The states hit hardest in January were Nevada, California and Arizona. In Nevada, one in 76 housing units received a foreclosure filing during the month. In California, that number was one in 173, and in Arizona it was one in 182. Illinois had one for every 363 units, according to RealtyTrac.

Amid the turmoil in Illinois, there are pockets of good news. Several areas — many in the central part of the state — have seen increases in median sales prices.

In the fourth quarter of 2008, Bloomington-Normal had the second highest single-family home price increase in the country, just behind Beaumont-Port Arthur, Texas. The area saw a median sale price of \$159,300, up 9.6 percent from the fourth quarter of 2007, according to the National Association of Realtors.

And 28 of the 97 Illinois counties that reported figures saw an increase in median home prices for the fourth quarter of 2008, compared with the fourth-quarter 2007. These counties saw some of the biggest percentage increases: Jefferson, up 18.8 percent to \$77,500; Whiteside, up 9.6 percent to \$80,000; Menard, up 7.3 percent to \$117,500; McLean, up 5.4 percent to \$158,000; and Kankakee, up 3.9 percent to \$128,000.

But in the past few months, Hewings says, the time it takes to sell a house has been growing all over the state and getting closer to the Chicago-area gap. In Chicago, the average time for a house to sell is about 11-13 months, Hewings says, noting that just a year ago, that number was two months.

Longer wait times also lead to more bargains, and buyers can find themselves able to buy bigger houses than they ever thought they could afford.

Callan of the Illinois Association of Realtors acknowledges Illinois is entering another tough year for the housing market but says there are still plenty of reasons to buy. He points to enticing mortgage interest rates in the low 5's, the tax credit for first-time home buyers and sellers' increasing openness for negotiation.

He gives this example: Say you have a house that you believe is worth \$300,000 and the house you want to buy is listed at \$400,000. The market may dictate that both come down 10 percent in price, so you could end up saving \$40,000 on the price of the new house and giving up \$30,000 on the sale of your own home.

"So you're making money on the deal, locking in at a low interest rate, your monthly payment won't go up significantly and you haven't increased your risk by much if you're worried about losing your job," Callan says.

Risk is at the heart of the crisis — some taking way too much, others not

The American Recovery and Reinvestment Act includes \$8,000 for qualifying first-time home buyers, and unlike the past \$7,500 credit, buyers won't have to pay it back. The Homeowner Affordability and Stability Plan is designed to help up to 5 million borrowers refinance and gives mortgage lenders incentives to help an additional 4 million homeowners avoid foreclosure.

willing to take it on at all. But experts agree that job creation and retention will go a long way toward shoring up consumers' willingness to find a middle ground.

Putting people back to work is one of the main goals of the stimulus package. In fact, the White House says it will bring about 148,000 jobs to Illinois. The American Recovery and Reinvestment Act includes \$8,000 for qualifying first-time home buyers, and unlike the past \$7,500 credit, buyers won't have to pay it back. The Homeowner Affordability and Stability Plan is designed to help up to 5 million borrowers refinance and gives mortgage lenders incentives to help an additional 4 million homeowners avoid foreclosure.

Guzman is encouraged by the recent roll-out of plans, especially in their movement toward job creation. She likes the first-time homebuyer credit, and she's encouraged that Chicago is scheduled to get \$55 million from the federal Neighborhood Stabilization Program, with its promise of getting homeowners into vacant properties. But she says ultimately, lenders must step up and grant more access.

"Housing is only going to move if lending gets easier. ... Are people getting loans? Sure, but they can be more difficult, and you have to work harder with the lender to get a deal in place."

She noted a trend holding up sales in Chicago's considerable condo market. Buyers are attracted to the small down payments for Federal Housing Authority loans — as low as 3.5 percent in Illinois — but when they try to use that type of financing on some properties, they run into a problem with condo declarations that include a "right of first refusal," which means the condo board can refuse a prospective buyer and decide to purchase the unit on its own. The FHA won't allow funds to be used in buildings with that language in their declarations because the agency sees it as a fair housing issue, she says.

"So a buyer says, 'Now I have to go conventional, and how am I going to find the money for a bigger down payment?'"

While the stimulus package is a step in the right direction, Guzman says, changing lending restrictions will play a bigger role in getting buyers into homes.

Hewings says he is not optimistic the stimulus plans will change his forecast for Illinois.

"We have no signal that the market will change anytime soon. The only sort of positive — if you could put it this way — is that we're seeing a little bit of a bounceback in February through the early part of the summer, but then back to lower forecasts," says Hewings.

He says the current uptick will be short and comes not from people trading up but from people who are relocating for work and have little choice but to buy and sell.

"What people don't realize is that we still haven't recovered from the recession at the early part of this decade," Guzman says. "We are somewhere around 200,000 jobs below where we were in 2000. And here we are in another downturn. Since the early 2000s, we have not had a year when we have added more than 50,000 jobs. So even if we had five very good years, we might recover, but that would put us 13 years from peak to peak. And I think five good years is very unrealistic." □

Marcia Frelick is a Chicago-based freelance writer.

A new identity

A Chicago group redefines its proposal to open an alternative school for the safety and acceptance of all students, regardless of sexual orientation

by Hilary Russell

The second time around could be the charm for a small group of upstate administrators hoping to build the first-of-its-kind school in the city of Chicago. It also would be a first for the entire state. They propose opening a school that is friendly to students who struggle in mainstream schools, regardless of their sexual orientation. But opponents say allowing the idea to manifest would only create a new kind of discrimination.

An LGBTQA-friendly school could be operating in Chicago for the 2010-2011 school year if the Chicago Board of Education approves the proposal. LGBTQA stands for Lesbian, Gay, Bisexual, Transgender, Questioning youth and their Allies.

Last year, the school's design team withdrew a similar application before a vote took place. Since then, the group has been rewriting the plan and defining what the school is and what it is not. The school, formerly referred to as the Pride Campus and then the Solidarity Campus, would be LGBTQA-friendly. But, they say, it is not a school just for gay kids.

Peter Gi, leader of the metro Chicago area group called the Parents and Friends of Lesbians and Gays, says sexuality and gender identity can take many expressions, "and the most common way for people to classify their sexual identity and share it with the world" is

by using the term LGBTQA.

The creation of such a specialized school opens the door for public perception problems, including whether a school is gay-friendly versus gay-only or an attempt to create a more accepting environment for students of all backgrounds and social groups.

John Knight, director of LGBT Projects for the Illinois ACLU, says asking a person about his or her sexual orientation could be considered discriminatory.

In a 2005 Chicago Public Schools survey, LGBTQA teens were:

- Two times more likely to be threatened than their heterosexual peers.
- Two to four times more likely to be treated for an injury from a fight.
- Two to four times more likely to be sexually assaulted.
- Three to four times more likely to attempt suicide.

That is precisely why the LGBTQA-friendly school would not know which students were straight and which were not, says Katie Hogan, design team member and co-founder of the Social Justice High School in Chicago. "The only statistics that will ever be taken" and made available would solely focus on academics, she adds.

The design team, which plans to submit a second proposal early this summer, comprises community members

and faculty at an existing specialized school, the Social Justice High School. That school focuses its curriculum on community service and activism and is located on a campus alongside three separate schools that specialize in world languages, math, science and technology, and multicultural arts.

When education officials noted the success of the Social Justice High School, they suggested that a design team develop another tailored institution. The team eventually landed on the idea of a so-called Pride Campus in response to community concerns about the safety of LGBTQA teens.

The location of the new school, as well as its name, would be revealed at a later date. Members say it's designed specifically to be an educational atmosphere with a zero tolerance policy for discrimination, bullying and harassment.

The new school would serve as an educational safe haven for kids who aren't succeeding in traditional public high schools. LGBTQA teens sometimes fall into that category, but so do students who identify themselves as heterosexual.

Malon Edwards, spokesman for Chicago Public Schools, says the Chicago Board of Education receives several requests for new schools. "We get very unique proposals," he says. But the LGBTQA idea is a "first of its kind."



Hogan, who also chairs the English department at Social Justice High School, says after reading several surveys about the struggles that LGBTQIA teens face, the decision was obvious. "We need to do something. If we're not realistic that there is this whole other population of kids out there that we don't have services for, then we're not addressing the truth."

The creation of such a school is not an attempt to discriminate, she says. Rather, it's an attempt to solve a growing problem.

However, Bob Gilligan, executive director of the Catholic Conference of Illinois in Chicago, believes that isolating young people "based on their sexual identity is a real bad idea."

"They're going to call this a public school? We need to take a step back and remember that we are talking about young people who are at a volatile time in their lives," he says. "Why would we offer a school based on a young person's sexual identification or behavior? That's ludicrous."

Gilligan says opening such a school using taxpayer dollars sends a loud and clear message: "This school isn't about tolerance. It's about the promotion of a homosexual lifestyle."

He adds that members of the Catholic Church family "accept the homosexual person but not the behavior."

Mike Ryan, a sociology professor at the University of Maryland at College Park, says that private schools and neighborhood schools already separate children from mainstream schools. "People tend to segregate themselves in society, whether it be by race, lifestyle, religion, sexual orientation or, most commonly, by class."

Ryan also lectures about homophobia at Maryland high schools and universities. If creating a school that is LGBTQIA-friendly helps to eliminate certain problems, then perhaps "it is a short-term solution," he says.

Every school district in Illinois must have a harassment policy, according to state law. Edwards says that if an instance of bullying occurs, it is dealt with immediately according to Chicago Public Schools' harassment policy.

Ryan says just because schools have harassment policies on the books doesn't mean they'll work. "People often assume

too much uniformity about schools. There are many schools where being homosexual is not an issue and many others where it is a major issue. Openly gay students have been prom kings and murder victims. It all depends on the school."

But the Rev. Wilfredo De Jesus, senior pastor of New Life Covenant Ministries in Chicago, says creating a school for LGBTQA students creates segregation. "That's not how you treat that problem."

He adds that he believes the first step to tolerance begins within a school's administration, not by separating the bullies from the bullied. "We have a lot of kids in the school system who are being harassed. Say they are a little overweight — are we going to start making schools just for obese kids?"

And once students graduate from a specialized school, he says he worries about how they would adapt to life without safety nets. "These kids are going to grow up and go to college. What are they going to do then? They're not going to create a college just for lesbians and gays," he says. "What about when they get out in the real world and are looking for work?"

The proposal, Hogan counters, is not a bid to separate kids, but it can offer an alternative to dropping out of school. Hogan says questions such as De Jesus' need to be answered. "Our school is not a school that is going to segregate anyone. This proposal is about saying no matter who you are, we want kids to get an education."

Ryan says segregation and a solution to helping LGBTQA teens do not have to be mutually exclusive. "The upside is that, in the meantime, it provides students a safe haven for development. The downside of such schools is that a lack of integration will likely lengthen the time it will take for society to inevitably become accepting of homosexuality."

LGBTQA teens are more likely to be teased, sexually assaulted and physically assaulted than their heterosexual peers. Some even drop out to avoid the

harassment. The results of a 2005 Chicago Public Schools survey and a 2007 survey conducted by the Gay, Lesbian and Straight Education Network show that not only are harassment and dropout rates continuing, they're increasing.

The toll that harassment takes on those teens extends into every area of their lives, says Eliza Byard, executive director of the Gay, Lesbian and Straight Education Network.

In addition to other challenges, Byard says students who had been harassed reported a significant drop in their grade-point averages. She adds that making simple changes in an educational setting could have an immediate impact on students.

"It's interesting to me that people

In a 2007 National Climate Survey conducted in Chicago by the Gay, Lesbian and Straight Education Network:

Among 6,209 students ages 13-21:

- 86.2 percent of LGBT students report verbal harassment at school.
- 60.8 percent of LGBT students said they felt unsafe at school.
- 32.7 percent of LGBT students said they skipped a day of school because they felt unsafe at school.
- 44.1 percent of LGBT students reported being physically harassed.
- 22.1 percent of LGBT students reported being physically assaulted.

would resist efforts to stop things like name-calling and bullying around the country," Byard says. "But the fact is, when you reduce the name-calling, the bullying and the harassment, you will see reductions in physical assault and physical harassment. If we deal with it, we can move on with ensuring education for students in every school."

Renee Rathjen, a student at the University of Illinois at Springfield, says she never experienced harassment when she decided to "come out" to her friends and family. But her friends did. "The locker room is the scariest place for an LGBT student because there's rumors all of the time that all you're doing in there is checking out other people," she says. "I had friends who would do anything not to have to go to gym class or into the

locker rooms. They usually just skipped that class or got a doctor's note."

Rathjen also is program coordinator of the LGBT office at the University of Illinois at Springfield's Diversity Center. The experience Rathjen mentions is not uncommon in the LGBTQA community, she says, especially for teenagers.

Hogan says the goal of creating an accepting atmosphere that is less likely to tolerate bullying can, in part, be accomplished by changing the basic components of a school. She says that one of the major differences between the Social Justice High School and traditional public high schools is that "the model of our school is very small and student- and family-centered. Instead of a school with 3,000 students, we have about 100 total currently per [graduating] class." Enrollment, she says, is capped at 600 students for the new school.

Keeping classes small has worked for the Harvey Milk School in New York City. Though it differs from the Chicago proposal because it is a transfer school, meaning students must attend a traditional public high school before transferring, it also heavily relies on a strong community support system. In addition to partnering with outside neighboring organizations, principal Alan Nolan says, "we look at students in a holistic fashion, as individuals and potential leaders of tomorrow's society."

The Harvey Milk curriculum also embraces diversity by requiring all incoming students to participate in a class that explains the school's "no hate" initiative. The school has a zero tolerance policy for bullying, and, Nolan adds, any "hint of intolerance" is handled within the guidelines of the New York Board of Education.

The Social Justice High School in Chicago also uses the surrounding community as a second classroom. Students participate as volunteers in local organizations.

The new school would offer choices for additional after-school activities. While students spend only a portion of the day in school, what happens when the last bell rings can pose serious dangers. It's the

“The reality is that school boards are often fearful of these types of things when they come up. Either they are afraid for political reasons, since members are elected, or they’re afraid they might take the position that these needs don’t need to be addressed directly.”

— Jason Pierceson, assistant professor at the University of Illinois at Springfield

“not having anywhere to go” problem that gets many kids into trouble, adds Hogan.

The Center on Halsted, a community center in the Chicago neighborhood of Lakeview, has partnered with the Little Village Lawndale Campus and would play a significant role in the LGBTQA-friendly school.

“They have groups about education, art, health and poetry writing. This particular one is a great one because it’s a place the kids can go to after school and be [involved] with positive activities,” Hogan says.

The new campus would use community resources to mimic the Social Justice High School’s model. For instance, Hogan says she doesn’t know the number of faculty members or teachers that the school could afford to hire, but the design team knows where those teachers would come from.

The Golden Apple Foundation, headquartered in Chicago, rewards outstanding educators and provides rigorous training for college students who plan to become teachers.

“Our partnership with them would allow us to hire award-winning teachers and allow our school to act as a training center for other educators interested in making their schools safe so all their kids can get a great education,” Hogan says.

She adds that the school also could help reach out to another group of students: the homeless.

The Chicago Coalition for the Homeless reports that more than 10,000 Chicago Public Schools students are homeless. Alicia Adams-Stanley is coordinator of public and media relations for The Night Ministry, which provides housing, food, counseling and health care to the homeless. Adams-Stanley estimates that of the 10,000 homeless teens in Chicago, about 3,000 of them are LGBTQA.

Reasons the teens are homeless range from problems at home, mental health issues, substance abuse, pregnancy and “issues surrounding sexual orientation,” she says.

“We have two choices,” Hogan says. “We can either let it happen, or we can do something about it and have a place for them to go to school and be safe.”

With only a few months before the design team plans to submit the propos-

al, members have to address one of the factors they say contributed to last year’s failed attempt: lack of education about the school’s intent. In an effort to combat a repeat of last year’s concerns, Hogan says the design team plans to hold multiple public information sessions at local venues. The public would be able to comment on the proposal. Hogan adds that talking to people in person has been most helpful in explaining what the school would try to accomplish.

In addition to public perception, politics also play a role, says Jason Pierceson, assistant professor of political science and legal studies at the University of Illinois at Springfield. He says that separating students may not be such a bad idea if it means they get through school without having to worry about being harassed or attacked.

But getting establishments to acknowledge the kind of bullying and harassment that LGBTQA teens experience is another issue, he adds. “The reality is that school boards are often fearful of these types of things when they come up. Either they are afraid for political reasons, since members are elected, or they’re afraid they might take the position that these needs don’t need to be addressed directly.”

Pierceson adds that broad-based anti-bullying campaigns have more often than not been the solution for schools in handling LGBTQA issues.

Sometimes a short-term solution is the best one, according to Ryan. In this case, a short-term solution would be to “allow such schools to exist.”

“It would not force all LGBTQA students to go to such schools, but it would provide an option and a potential haven for those who want to attend. In the same manner, it is not required that all black college students attend Howard University or that all deaf college students attend Gallaudet University or that all Chinese people live in Chinatown, but the option exists.”

For now, the design team of Chicago’s potential LGBTQA-friendly school intends for its developing proposal to be an answer for students to get an education without looking over their shoulders. □

Upshot on earmarks

Study shows Illinois congressional representatives who have brought home the greatest number of projects

by Jack Van Der Slik

Though President Barack Obama has promoted the \$787 billion economic stimulus package as earmark-free, data from the last full fiscal year show that he was among the most successful members of the Illinois congressional delegation in bringing projects home.

His competitor for the Democratic presidential nomination, then-Sen. Hillary Clinton of New York, also called during the campaign for a moratorium on earmarks in this year's budget. But data compiled by the public-interest Web site watchdog.net show that last fiscal year, she lured in more in earmarked projects — \$731.5 million — than any other member of Congress. Those numbers prompted some publications to dub her the queen of pork.

Meanwhile, outrage over the infamous proposal for a Bridge to Nowhere — in which hundreds of millions of dollars were allocated to build an Alaskan bridge that would span between an island of 50 people and a town with a population of 8,000 — resonated on both sides of the aisle.

The federal Office of Management and Budget has taken a dim view of earmarks, as well, describing such a project as one that "circumvents the merit-based or competitive allocation process." But a project that one observer labels as "pork" might be seen as essential to another. Skirting standard practice often pays for needed construction or improvements ranging from expansive bridge building to the purchase of a \$10,000 piece of fire-fighting equipment.

Some critics of earmarks say they may increase the likelihood that lawmakers will support projects backed by campaign donors.

Arizona Republican U.S. Rep. Jeff Flake recently sponsored a resolution calling for an investigation into links between earmarks and campaign contributions.

Among other critics of earmarks is U.S. Rep. David Obey of Wisconsin, chairman of the House Appropriations Committee.

"The reason I hate earmarks is because they suck everybody in," Obey was quoted on the PBS program *Bill Moyers Journal*. "They suck them into the idea that we have to be ATM machines for our districts, and so they focus on the tiny portion of most bills that are earmarks instead of focusing on the policy that is represented by the legislation that we produce."

Some supporters of earmarks say voters and others can decide for themselves whether the money is properly spent because the amounts are publicly disclosed. But U.S. Rep. Melissa Bean, a Barrington Democrat, last year co-sponsored legislation calling for an independent bipartisan commission to investigate several aspects of congressional and executive earmark spending. One question that the legislation raised is whether current disclosure requirements are sufficient.

Because of unfavorable press after earmarks reached a peak in fiscal year 2005, the House and Senate established rules about disclosing project sponsors.

An analysis of those disclosures by Taxpayers for Common Sense an indepen-

dent, Washington, D.C. -based organization that opposes what it sees as wasteful government spending, shows not surprisingly that as statewide elected officials, Illinois Sens. Richard Durbin and (now President) Obama accumulated the greatest dollar amounts in projects among the Illinois congressional delegation. Durbin amassed \$500 million for a 12th place rank in the entire Congress. But despite Durbin's position as the second-most powerful member of the Senate, Obama also proved successful in getting his earmarks approved.

Durbin collected about half of the \$996 million he requested, gaining approval of 147 of his 168 requests. Obama garnered 56 percent of the \$466 million he requested, winning approval of 56 of his proposed 66 earmarks.

In the House, the Illinois delegation collected \$428.4 million in earmarks for fiscal year 2008, which ended last October. U.S. Rep. John Shimkus, a Collinsville Republican, led the Illinois pack with \$112.8 million, ranking him 98th among the 535 senators and representatives. The vast majority of that was for a single project — \$102.3 million to continue work expanding the locks and dam at Olmstead on the Ohio River.

"It's not sexy," says Shimkus, who sponsored the project along with two members of the Kentucky congressional delegation. "But as you learn the needs of your district and the country, you value them. We play an important role in making sure the small communities of this country

Earmarks fiscal year 2008

Member, 110th Congress	Party	Rank in Illinois	Rank in nation	Dollars approved (millions)	Dollars requested (millions)	Earmarks received	Earmarks requested
Sen. Richard Durbin	D	1	12	499.6	996.7	147	168
Sen. Barack Obama	D	2	58	258.8	466.0	56	66
Rep. John Shimkus	R	3	98	112.8	114.8	11	12
Rep. Ray LaHood	R	4	133	63.5	77.9	55	57
Rep. Rahm Emanuel	D	5	161	52.9	56.9	17	18
Rep. Jerry Costello	D	6	209	37.8	38.3	18	19
Rep. Jesse Jackson Jr.	D	7	245	31.0	105.1	39	45
Rep. Mark Kirk	R	8	281	24.9	67.8	20	24
Rep. Judy Biggert	R	9	286	24.3	63.2	17	20
Rep. Jerry Weller	R	10	370	14.4	19.5	17	18
Rep. Melissa Bean	D	11	396	12.4	22.1	25	27
Rep. Danny Davis	D	12	398	12.3	38.5	24	25
Rep. Daniel Lipinski	D	13	431	9.4	7.8	13	13
Rep. Timothy Johnson	R	14	445	8.4	10.2	16	17
Rep. Donald Manzullo	R	15	469	5.9	64.9	11	13
Rep. Bobby Rush	D	16	475	5.2	34.1	13	14
Rep. Peter Roskam	R	17	480	4.8	51.6	9	13
Rep. Janice Schakowsky	D	18	482	4.4	4.2	12	12
Rep. Bill Foster	D	Not ranked	NR	0	0	0	0
Rep. Phil Hare	D	Not ranked	NR	0	0	0	0

don't lose their voice when they have infrastructure needs."

Shimkus says, "I would just say I believe we should have full transparency — and people should see — and we will be judged as to the validity of those in our congressional districts."

The big earmark earned Shimkus special status. Among the House members from Illinois, only five rank in the top half of earmarks received by the entire Congress. In addition to Shimkus are former Rep. Ray LaHood, a Peoria Republican who serves as Obama's transportation secretary; former Rep. Rahm Emanuel from Chicago, who is the president's chief of staff; Rep. Jerry Costello, a Belleville Democrat; and Rep. Jesse Jackson Jr., a Chicago Democrat.

In Illinois, at least, affiliation with the party in power in the House — the Democrats — did not appear to affect the number of earmarked dollars. The eight House Republicans averaged \$32.4 million each in earmarks, while the 10 Democrats averaged \$16.9 million.

However, seniority and political competitiveness of the congressional districts may have been factors. In his first term, Rep. Phil Hare of Rock Island was not

awarded a single earmark. Seven members who served four terms or fewer (excluding Bill Foster of Geneva, who was elected in 2008 to fill the vacancy created by the retirement of former House Speaker Dennis Hastert) collected an average of \$16.1 million each, while members in their fifth or sixth terms snared just under \$37 million per representative. But seniority alone doesn't explain the numbers. Six members in their seventh or higher term won an average of \$21.8 million each.

What about members who are up for re-election? Do representatives who face strong opponents work harder to bring home special projects, or do "safe" incumbents usually win the earmarks?

Before the 2008 elections, *Congressional Quarterly* rated the election prospects for U.S. House districts. Twelve of the 19 districts in Illinois were deemed safe for the incumbents, and two races were uncontested, leaving four whose seats were considered vulnerable to defeat. (Hare was excluded from the analysis because he had no chance to collect earmarks.) It turns out that incumbents who were not at risk of defeat collected an average of \$23.7 million in earmarks,

while those in "unsafe" districts averaged just \$16.6 million.

It is doubtful Congress will give up earmarks as a way for congressional delegations to "bring home the bacon" from Washington, D.C. It is ironic that the congressional opponents of the FY 2009 earmarks seek a presidential item veto to control them. Congress is so addicted to earmarks that it cannot control itself. In March, Congress approved another 9,000 earmarks costing \$7.7 billion.

But at a minimum, Congress should do more to make earmarks transparent. The fact that some earmarks are awarded to corporations with political action committees that contribute to campaigns may make the risk of losing them too great. But clearly, earmarks deserve close scrutiny, and additional procedures should be put in place to constrain the less-than-noble special projects. □

Jack Van Der Slik is a professor of political studies and public affairs emeritus and was director of the Illinois Legislative Studies Center at the University of Illinois at Springfield from 1983 to 1998.

Illinois Issues managing editor Maureen McKinney contributed to this article.

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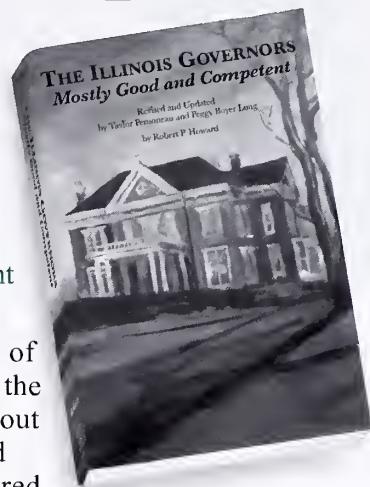
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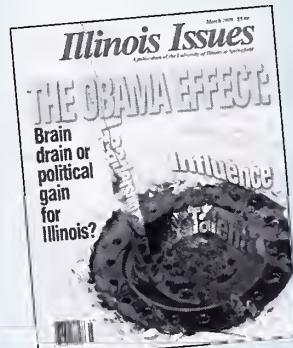
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Veteran reporter leads policy institute



David Yepsen

David Yepsen, a *Des Moines Register* political reporter and columnist who spent 25 years in the newspaper business, is the new executive director of the Paul Simon Public Policy

Institute at Southern Illinois University Carbondale.

Yepsen's experience in the political arena, as well as dealing with students, makes him the right person for the job, says Chancellor Samuel Goldman. "He has a wealth of experience nationally. ... He also has local experience with the Iowa caucus. He wants to continue the Paul Simon vision, and he will bring that to this task."

Yepsen, an Iowa native who began his journalism career at Davenport's former *Times-Democrat*, now the *Quad-City*

Times, in 1973, became inadvertently tied to the Paul Simon Public Policy Institute through Mike Lawrence, who directed the institute from 2004 until his retirement last November.

"Mike and I go way back," Yepsen says. "He was one of my first bosses when I worked at the old *Times-Democrat* in Davenport."

Yepsen began working for *The Des Moines Register* in 1974 as a police and county government reporter. In 1976, he began covering Iowa presidential caucus campaigns as the newspaper's chief political reporter, and in 2000, he started writing his own political column. A political analyst, Yepsen also has worked with college students, serving as a fellow in 1989 at Harvard Kennedy School's Shorenstein Center on the Press, Politics and Public Policy; and in 2008 at Harvard Kennedy School's Institute of Politics.

In 2004, Yepsen also worked with students in Carbondale when Lawrence invited him to speak to journalism classes at the Paul Simon Public Policy Institute. "I lectured, attended some classes, did some brown bag discussions. ... I really enjoyed it," Yepsen says.

Lawrence told Yepsen in 2007 that he was planning to retire the next year and suggested that Yepsen consider applying for the position. "I decided to throw my hat into the ring," Yepsen says.

Lawrence says: "[Yepsen is] a very hard worker, has a keen grasp of political and governmental issues, and he really wanted the job. For decades, he has been an influential player in presidential politics, and he has a national reach due to the contacts he's made over the years."

Yepsen says he intends for the institute to focus on ethical government issues and higher education funding. The late U.S. Sen. Paul Simon would have wanted those things to be covered, especially the ethical issues, he adds.

While Yepsen says he is eager to embrace his new position, he realizes that he must take a step back and assess what has worked for the institute in the past and what can be improved.

"I want to do things, not replicate the work of other people," Yepsen says. "I also know that I need to look at what they've done in the past and what needs to be done in the future."

Nicole Harbour

New legislators

- **Sen. Kyle McCarter** replaces former Senate Minority Leader **Frank Watson** to represent Senate District 51, which stretches through central Illinois. Watson resigned earlier this year after a stroke (see *Illinois Issues*, March, page 35). McCarter now is the minority spokesperson for the Commerce Committee and a member of committees dealing with education, state government and veterans' affairs. He owns and operates a small business in Lebanon.

- **Rep. Betsy Hannig** of Litchfield replaces her husband Gary Hannig, a Democrat who was named secretary of transportation by Gov. Pat Quinn. She had worked for the the state Teachers' Retirement System.

- **Rep. Anthony DeLuca** replaces former Rep. **George Scully Jr.**, a Flossmoor Democrat who retired in February to take an appointment to the Cook County Circuit Court bench.

DeLuca, Chicago Heights Mayor for six years, is a former school board president of Bloom Township High School District 206 and is chief of operations for his family's business, Skyline Disposal.

Scully was elected in 1996 to represent House District 80 in south suburban Chicago. He often took on such complex issues as electricity rate regulation. Friend and fellow Democratic Rep. Kevin Joyce of Chicago described him as a "judicious legislator," working with his peers of both political parties, regardless of whether he agreed with them.

Operation Board Games gets another guilty plea

P. Nicholas Hurtgen, a former executive in the Chicago office of Bear Stearns & Co., pleaded guilty to aiding and abetting fraud targeted by an ongoing federal investigation involving former Gov. **Rod Blagojevich**.

Hurtgen is cooperating with investigators in the ongoing investigation, delaying his sentencing.

According to his plea agreement, Hurtgen participated in a so-called pay-to-play scheme with **Stuart Levine** and **Jacob Kiferbaum**, now convicted felons. They pressured a Naperville hospital to hire Kiferbaum's construction company in exchange for a state board's approval of the hospital's expansion project. Kiferbaum's company would then pay kickbacks to Levine, who rigged the state panel. The hospital would hire Bear Stearns to handle the financing.

The hospital did not go along with the plan, and the Health Facilities Planning Board denied the hospital's request for approval.

According to the plea, Hurtgen told the Naperville hospital's chief executive officer that Blagojevich's support of Kiferbaum was "all about money" for political campaigns.

U.S. District Judge John Grady previously dismissed the charges against Hurtgen in 2007, but federal officials re-indicted him on six counts of aiding and abetting fraud and one count of extortion. Hurtgen pleaded guilty to one of those counts.

Quinn's Cabinet

Economic development



Jack Lavin

Gov. Pat Quinn's chief operating officer is **Jack Lavin**, former director of the Illinois Department of Commerce and Economic Opportunity under former Gov. Rod

Blagojevich. He also worked in the state treasurer's office as deputy state treasurer from 1993 to 1995, as well as director of development finance from 1991 to 1993. He has more than 21 years of experience in both the public and private sectors. He has a master's degree in business with a specialization in finance and a master's degree in international relations from the University of Chicago.

Lavin's replacement at the economic development agency is **Warren Ribley**, who served 12 years in the office of the Illinois Senate president and previously was director of banking for the state treasurer's office. In 1995, he became a branch manager and loan officer for Hartland Mortgage Centers Inc. until 2003. He joined the state's economic development agency in 2003 as director of operations.

Transportation



Gary Hannig, former Rep. **Gary Hannig**, a Litchfield Democrat, was appointed secretary of the Illinois Department of Transportation by Gov. Pat Quinn. Hannig, an accountant, had been a state representative since 1978 and the chief budget negotiator for the Democratic caucus. He also was a deputy majority leader.

Hannig replaces Blagojevich appointee **Milton Sees**, who became director in September 2007 after serving

as acting director for nine months. Sees is a licensed engineer and started working at the department in 2006 as director of highways.

Kent Redfield, a political scientist at the University of Illinois at Springfield, says Hannig's appointment could improve strained relations between the executive and legislative branches as they prepare to negotiate a major capital construction plan and a spending plan for federal stimulus funds.

Hannig says that lines of communication broke down during the Blagojevich administration because many in the legislature felt they couldn't trust the former governor. "I know [members of the General Assembly] by name, and they know me, and I am not going to lie to them," Hannig says.

Hannig says he and Christine Reed, chief engineer and director of the department's highway division, make a good team because he has budgeting experience and she has engineering expertise.

Other key staff

Many of Quinn's staff members served in similar capacities when he was lieutenant governor and treasurer.

- **LaDawn Burnett** is senior policy adviser and will work on economic development, health care, education and fiscal matters. She holds a bachelor's degree in English and political science from Valparaiso University in Indiana.

- **Cory Foster** is director of community affairs, serving as a liaison to communities throughout the state. He has a bachelor's degree in criminal justice from Drury University in Missouri.

- **Carolyn Brown Hodge** is deputy chief of staff. She will assist the chief of staff, **Jerry Stermer**, in Springfield. She has been a leader on the Rural Health Task Force, the Rural Water Task Force and the Broadband Deployment Council.

- **Simone McNeil** is director of operations. She served four years as human resources director in the treasurer's office. She has a bachelor's degree from the University of Illinois at Chicago.

- **Robert Reed** is director of communications. He is a former journalist who worked for *Business Week, Chicago*

magazine, *Bloomberg Business News*, WBBM-News Radio 780 and Crain's *Chicago Business*, where he served as editor. He holds a bachelor's degree in journalism from Northern Illinois University in DeKalb.

- **Michelle Saddler** is director of policy, overseeing initiatives in economic development, health care, education, housing, fiscal policy and ethics. She served four years as Quinn's director of investments when he was treasurer. She has a bachelor's degree from Princeton University in New Jersey and a master's degree in management from Northwestern University.

- **Deborah Shipley**, Quinn's director of legislative operations, was secretary of the Senate and previously served as chief executive assistant to Senate President Emil Jones Jr.

- **Jay Stewart** is providing legal counsel to the governor. He is the former executive director of the Better Government Association, a nonpartisan watchdog group in Chicago that sued Blagojevich's administration for failing to comply with Freedom of Information Act requests. The association also sued former Gov. George Ryan in 1999 over ethical concerns that occurred during his tenure as secretary of state. Stewart graduated from DePaul University College of Law in Chicago.

- **Kate Tomford** is director of sustainability, overseeing and advocating for Quinn's green initiatives throughout the state. She was involved with the Green Government's Coordinating Council. She has a bachelor's degree from Harvard University in Massachusetts and a master's in environmental science and policy from the University of Chicago.

- **David Vaught** is Quinn's senior adviser on a range of policy matters, including fiscal and economic development issues. He is a West Point graduate and served as Quinn's adviser when he was treasurer.

- **Sean Vinck**, chief legislative counsel, is the governor's contact for state legislators. Vinck received a bachelor's degree, master's degree and law degree from the University of Notre Dame in Indiana.



Correction

Gerald Kellman, who was profiled in the March article "Obama's mentor," says his views on abortion are not at odds with Catholic doctrine, as the article stated. "I believe that life begins at conception, and it is a sin to take life from that point onward," Kellman said after the article was published. He added, however: "I think that the Church has put too much emphasis on changing laws and not enough on changing hearts. I also have some questions about whether trying to overturn *Roe v. Wade* is the best way to reduce abortions."

He also said the article may have implied that he was working with or for the Obama campaign when talking to reporters in his church office about his experience training the future president as a community organizer. "I was supporting Senator Obama as a friend. ... My support had nothing to do with the Church or parishes. I believe that the Church should never endorse a candidate or even give the impression of endorsement. I have worked hard to uphold that belief," Kellman said.

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Charles N. Wheeler III



Quinn has the courage to tell taxpayers the truth

by Charles N. Wheeler III

Gov. Pat Quinn is no Rod Blagojevich. Most obviously, he's not just days away from being indicted by federal prosecutors on political corruption charges.

More importantly for the state's fiscal well-being, Quinn has the courage to remind Illinoisans of a basic truth his disgraced predecessor preferred to ignore: If you want government services, you have to be willing to pay for them.

The governor's proposed 50 percent hike in state income tax rates — to 4.5 percent for individuals and to 7.2 percent for corporate taxpayers — forms the centerpiece of his plan to close an estimated \$11.6 billion budget deficit the state faces through June 2010. A portion of the new income tax revenues, bolstered by higher vehicle fees and fewer business tax breaks, would help bankroll a \$26 billion public works program designed to provide some 340,000 jobs in the coming months.

To lessen the sting of the first state income tax increase in two decades, Quinn called for tripling the personal exemption to \$6,000, which he said would result in lower taxes for almost half of the state's population. His aides calculated the break-even point at about \$60,000 for a family of four. Earn less and you pay less in state income taxes.

Quinn also proposed a back-to-school

The reason such apparent no-brainer solutions won't work is that almost 70 percent of the dollars spent from the state's main checkbook account goes for health care for the poor, elderly and the disabled, or for education, mainly grants to local public school districts.

sales tax holiday, a 10-day period in August when the 5 percent state levy would not be added to the purchase price of clothing, footwear and school supplies.

Such sweeteners won't appease the anti-tax crowd, the critics who argue that all that's needed is eliminating legislative pay raises or other wasteful spending, to note a common refrain.

Such folks appear woefully ignorant of how the state spends its money. Or maybe they just don't comprehend exactly how much \$11.6 billion is. Suppose legislative pay raises were rolled back, or even more dramatically, let's cut legislative salaries altogether and make all 177 lawmakers work for free. With that savings, we'd have the deficit erased

sometime in FY 2773. Do away with the entire General Assembly, in fact, and the red ink wouldn't be gone until FY 2156.

The reason such apparent no-brainer solutions won't work is that almost 70 percent of the dollars spent from the state's main checkbook account goes for health care for the poor, the elderly and the disabled, or for education, mainly grants to local public school districts. Both are priorities that enjoy broad popular support, and Quinn declared them off limits for cuts. The rest of the general funds budget, the allocation for virtually everything else state government does, is less than \$9 billion.

Yet Quinn realizes that belt-tightening has to be part of the solution, if for no other reason than to show that he tried. So his budget plan includes a 2 percent across-the-board cut in other grant programs, saving about \$80 million. In addition, he wants to dock state workers four days' salary and require them to pay more for health care and retirement, worth slightly less than \$240 million. Other, unspecified "efficiencies" would save about \$400 million, to go along with \$500 million already trimmed from the current budget.

All told, such economies would save about \$1.5 billion over the next 15 months, just about the amount that the state is behind in paying health care providers right now, a problem that

Quinn pledges to remedy. And a good chunk of the savings might never be seen. The governor can't impose unpaid furloughs or higher health care and pension costs on state workers without their consent because of existing union contracts.

Union leaders also are unhappy with Quinn's proposal to cut back retirement benefits for new employees, thus creating a two-tiered pension system that would save the state an estimated \$162 billion in pension costs by 2045.

The pension reform idea provides some cover for Quinn to justify his plan to slash state payments into the retirement systems by \$2.8 billion this year and next, a move that evokes a wisp of Blago-style smoke-and-mirrors.

Lawmakers could well go along, as they did with Blagojevich to the tune of \$2.3 billion a couple of years ago. Not funding pensions adequately always has been easier than raising taxes or cutting current program funding.

Similarly, Quinn wants to "restructure" the state's payment schedule for past

The governor also trotted out a handful of loopholes he wants to close, most of them the same tax breaks that legislators refused to eliminate for Blagojevich.

borrowing, a move that would reduce by an estimated \$500 million the principal and interest the state otherwise would have to pay in 2010. But that would push payments much higher within a few years later. Before the schedule can be reworked, though, lawmakers would have to remove several safeguards written into the law after Blagojevich engineered a bond sale in 2003 with no principal payment until 2007.

The governor also trotted out a handful of loopholes he wants to close, most of them the same tax breaks that legislators refused to eliminate for Blagojevich.

Factor in almost \$4 billion in federal stimulus money, and the numbers in Quinn's plan come within \$334 million of closing the gap, according to budget documents. That bottom line might be overly optimistic, of course. About the only sure element of the governor's plan is the federal money, while higher taxes, pension reform and pay cuts for state employees all are rather uncertain, dependent on legislative approval or union agreement.

One could argue that Quinn's plan embodies too much wishful thinking, or that despite a 50 percent income tax hike, it does nothing to remedy the stark inequities in school funding produced by overreliance on local property taxes.

Whatever its flaws, the governor's budget proposal also has the great virtue of being an honest attempt to address the state's most pressing problem, despite the obvious political risk. Let's hope lawmakers debate its merits with the same spirit of statesmanship.

Charles N. Wheeler III is director of the Public Affairs Reporting program at the University of Illinois at Springfield.



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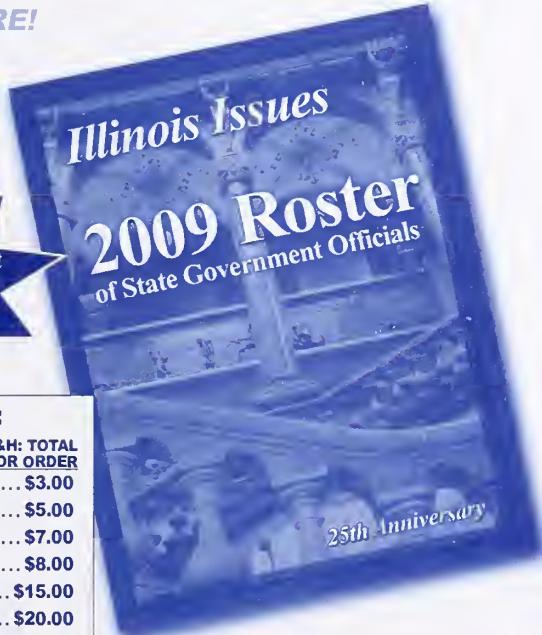
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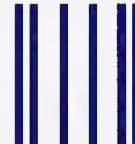
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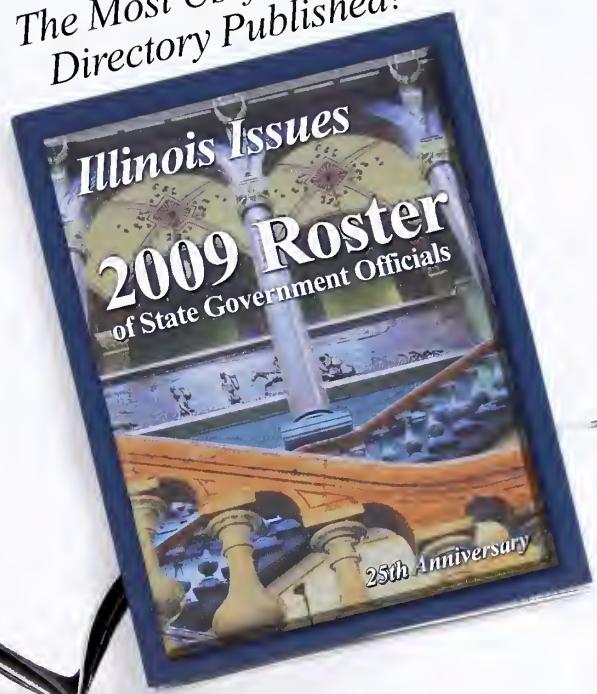
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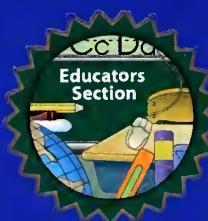
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